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83D CONGRESS  
2D SESSION

# H. R. 9586

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IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1954

Mr. REES of Kansas introduced the following bill; which was referred to the  
Committee on Post Office and Civil Service

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## A BILL

To amend the Civil Service Retirement Act.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 5 of the Civil Service Retirement Act of May  
4       29, 1930, as amended, is amended by adding at the end  
5       thereof the following:

6       “Notwithstanding any provision of law to the contrary,  
7       title to annuity payable from the civil service retirement and  
8       disability fund shall not arise from any separation unless the  
9       officer or employee so separated has, within the two-year  
10      period immediately preceding such separation, completed  
11      at least one year of creditable civilian service during which

1 he was subject to this Act. Any annuity rights based on a  
2 separation which (a) terminated service meeting this re-  
3 quirement or (b) occurred prior to this amendment, shall be  
4 restored upon separation from subsequent service which  
5 fails to meet said requirement.

6 “No credit shall be allowed for any service subsequent  
7 to the date of the separation on which title to annuity is  
8 based. Any amounts deducted from salary for retirement  
9 purposes during such service shall upon separation be re-  
10 funded to such officer or employee without interest, and  
11 shall be subject to redeposit as provided in section 12 (b)  
12 (2) of this Act. Any such amount not so refunded to the  
13 officer or employee before his death shall be paid in the order  
14 of precedence prescribed in section 12 (e).”



83<sup>d</sup> CONGRESS  
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# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

Issued June 18, 1954

For actions of June 17, 1954

83rd-2nd, No. 112

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

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HIGHLIGHTS: House passed bill to earmark Sec. 32 funds for fishery products. House voted to send housing bill to conference. House passed bill to authorize GSA motor-vehicle pools and furniture control. Senate committee worked on farm program bill. Senate completed congressional action on independent offices appropriation bill. Rep. Cannon criticized flexible price supports.

## HOUSE

1. FISHERY PRODUCTS. Passed without amendment S. 2802, which earmarks part of the Sec. 32 funds for education, publicity, and research in connection with fishery products until June 30, 1957, but limits the amount of expenditures for the purposes of the bill to \$3,000,000 annually, and limits the amount which may be used to purchase fish and other seafoods to \$1,500,000 (pp. 8029-31). This bill will now be sent to the President.
2. HOUSING LOANS. Agreed, 360-19, to a resolution to send to conference H. R. 7839, the omnibus housing bill which includes a provision to continue the farm housing program administered by this Department (pp. 8808-24). Senate conferees have been appointed.
3. VEHICLES; FURNITURE. Passed with amendments (essentially as reported) H. R. 8753, to authorize GSA to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct the GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government motor vehicles (pp. 8024-9).
4. IMPORTS. The Ways and Means Committee reported without amendment H. R. 9315, to extend on a reciprocal basis the period of free entry of Philippine articles into the U. S. (H. Rept. 1887)(pp. 8007, 8039).
5. ADJOURNED until Mon., June 21 (p. 8039). Legislative program for next week, as



announced by Rep. Halleck: Mon., Consent Calendar, Virgin Islands organic act; Tues., Private Calendar; followed by miscellaneous bills including the foreign-aid and farm-program bills if reported in time (p. 8031).

#### SENATE

6. INDEPENDENT OFFICES APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 8583, and acted on amendments which had been reported in disagreement (pp. 7971-2). This bill will now be sent to the President.
7. DEFENSE APPROPRIATION BILL, 1955. Passed with amendments this bill, H. R. 8373 (pp. 7969-88, 7991-3, 7996-8). Senate conferees were appointed (p. 7998).
8. FARM PROGRAM. In considering S. 3052, the overall farm program bill, the Agriculture and Forestry Committee announced that it "had tentatively agreed to -- (1) authorize the CCC to pay processing and transportation costs of surplus food commodities distributed within the U. S., and to portside for those being distributed abroad; (2) retain present law whereby penal and corrective institutions are not eligible to receive surplus food commodities without cost; and (3) a provision that beginning in 1956 the parity price for basic commodities cannot be reduced more than 5 percent per year during transition from old parity formula to the new parity formula."
9. EDUCATION. Passed as reported H. R. 7434, to establish a National Advisory Committee on Education, and H. R. 9040, to authorize cooperative research in education (pp. 8005-6).
10. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment S. J. Res. 165, to authorize the Glendo unit, Wyo., Missouri Basin project (S. Rept. 1615) (p. 7951).
11. SURPLUS COMMODITIES. S. 2475, the surplus-disposal bill, was ordered printed to show House amendments (p. 7959).
12. ECONOMIC POLICIES. Sen. Carlson commended the Administration's economic policies, including pricing, budgeting, taxation, and foreign trade, and Sen. Bush inserted a New York Times article on this subject (pp. 7960-1).
13. LEGISLATIVE PROGRAM. Sen. Knowland announced that today the Senate is to consider H. R. 6435, to extend the Commodity Exchange Act to onions (which was made the unfinished business), and S. 3487, to authorize banks of cooperatives to issue consolidated debentures. He indicated that the trade agreements bill would be brought up Mon. and that there might also be a calendar call. (pp. 7998, 8006.)

#### BILLS INTRODUCED

14. ELECTRIFICATION. S. 3623 and 3624, by Sen. Anderson (for himself and others), to provide for power generation at Cougar and Green Peter Dams; to Public Works Committee (p. 7952). Remarks of author (pp. 7952-7).
15. PERSONNEL. S. 3627, by Sen. Carlson, to correct a "loophole" in the Civil Service Retirement Act; to Post Office and Civil Service Committee (p. 7952). Remarks of author (pp. 7957-8).
16. EDUCATION. S. 3628 and 3629, by Sen. Upton (for himself and others), to amend and make permanent the program of school assistance in Federally affected

# S. 3627

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## IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 11), 1954

Mr. CARLSON introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

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OREGON STATE GRANGE,  
Portland, Oreg., June 8, 1954.

Senator WAYNE L. MORSE,  
Senate Office Building,  
Washington, D. C.

DEAR SENATOR MORSE: Because of the fast-changing conditions in the Northwest and the many problems to be considered in setting up partnerships between the Government and private power agencies, as well as the Government and public power agencies, for the purpose of building and operating hydroelectric dams, the Oregon State Grange is asking that hearings be held on these questions both in Washington and in the field affected so that we may have a better understanding of what could happen under such partnership programs.

Each proposal so far advanced has a definite area advantage for the agency proposing such a partnership. The whole partnership idea is rather new, and, since many different proposals are being made at this time, we feel that the people of the Northwest should have more time to analyze the merits and demerits of the various proposals.

The Northwest has prospered as a unit under the comprehensive development plan that is operated under the Bonneville Act. Any change in this would certainly deprive some areas of the power that rightfully belongs to them. We are very much opposed to any action being taken on any of these proposals until a complete study has been made and all of the factors involved have been brought to light.

Sincerely yours,

ELMER McCCLURE,  
Master, Oregon State Grange.

WALLACE, IDAHO, June 11, 1954.

Hon. WAYNE MORSE,  
United States Senator,  
Senate Office Building,  
Washington, D. C.:

The Idaho State Federation of Labor vitally interested in hearing on the proposed private utilities partnership bills. Therefore, we are asking you to use your best efforts to hold part of the hearing in the Northwest, where it will be possible for us to appear and defend our rights.

ELMER F. MCINTIRE,  
Executive Secretary,  
Idaho State Federation of Labor.

BAKER OREG., June 11, 1954.

Hon. WAYNE L. MORSE,  
Senate Office Building,  
Washington, D. C.:

We understand separate hearings on partnership proposals are being scheduled before the Public Works Committee. We urge that all such partnership bills be lumped together in hearings. This organization would like to testify but financial limitations make it impossible to come to Washington. Do everything possible to get hearings in this region.

BAKER COUNTY COMMERCIAL CLUB.

PORTLAND, OREG., June 8, 1954.

Senator WAYNE MORSE,  
Washington, D. C.:

On behalf of the CIO I wish to urge that you strongly oppose the various partnership bills that are now being proposed. The CIO believes that hearings should be held on all these bills before decisions are made on any one by itself in order that we may see what policies are involved.

GEORGE BROWN,  
Executive Secretary.

PORTLAND, OREG., June 11, 1954.

Senator WAYNE MORSE,  
Senate Office Building,  
Washington, D. C.:

Our members throughout Pacific Northwest are alarmed over effect which so-called partnership bills now being considered by

Senate Public Works Committee will have on development of Columbia River. Since their meaning is not clear we urgently request committee conduct joint hearings on all power partnership proposals now before it because we wish to make our views known because our members must live under whatever river program Congress imposes upon us and because they are persons of limited finances. Our viewpoint can only be relayed to Congress by holding hearings throughout this region. We will greatly appreciate it if you will transmit our plea to members of the Public Works Committee.

SAM FRETWELL,  
Chairman, Idaho-Oregon-Washington  
Hells Canyon Association.

**RESOLUTION DISAPPROVING THE JOHN JAY DAM PARTNERSHIP PROPOSAL AND REAFFIRMING OUR SUPPORT FOR REGIONAL POWER DEVELOPMENT**

Whereas companion bills (S. 3510 and H. R. 9307) have been introduced in the 83d Congress by Senator GUY CORDON, of Oregon, and Representative SAM COON, of Oregon; and

Whereas these bills are popularly referred to by the press as the Coon-Cordon partnership bills; and

Whereas these bills provide for a scheme of financing and prosecuting development of the John Day project on the Columbia River; and

Whereas the Oregon Rural Electric Cooperative Association has studied and discussed the provisions of these bills at two general meetings and a number of committee meetings, and has under date of April 13 expressed its serious reservations as to the desirability of this proposed legislation; and

Whereas notwithstanding this expression there appears to have been attempts recently to misinterpret the position of the Oregon Rural Electric Cooperative Association on this matter: Now, therefore, be it

*Resolved*, That the Oregon Rural Electric Cooperative Association at its special meeting in Portland, Oreg., June 2, 1954, unanimously opposes passage by the Congress of S. 3510 and H. R. 9307 for a number of reasons three of which are:

1. These bills further weaken the anti-monopoly provisions of the Bonneville Act and other statutes relative to the sale of power from Columbia River dams.

2. These bills, if passed, will go far toward destroying the principle of regionwide development of Columbia River power on an integrated basis.

3. These bills will unnecessarily increase the cost of power; and be it further

*Resolved*, That we reaffirm our belief that the proper development of the water power resources of the Pacific Northwest can best be accomplished on a regionwide, self-liquidating basis to the end of achieving the lowest possible cost of power.

HOOD RIVER ELECTRIC COOPERATIVE,  
Hood River, Oreg., June 8, 1954.

Hon. SAM COON,  
House of Representatives,  
Washington, D. C.

DEAR MR. COON: Thank you for your letter of June 1, with which was enclosed three copies of H. R. 9307 relative to the development of John Day Dam.

First, may I state that the spirit of this bill is commendable in that it is a sincere effort to speed up construction on power production in the Northwest.

However, I do not like the bill and will use every effort and influence at my command to tell local people that I do not like the bill for the following reasons:

1. Only the largest of the "local partners" can participate due to the amount of capital required. Their monopoly on power will thus be strengthened.

2. The river should be developed for the benefit of a region and not a State. State

lines should be ignored in this or all future power development from the river. Giving Oregon priority to the power indicates retaliation for the recent power grab attempt by the Washington Power Commission.

3. The cost of power to the consumer will be increased because—

(a) Interest rates "local partners" must pay will be higher than the Federal interest rate.

(b) The "local partners" will have profit in mind when they go into this.

(c) Any monopoly leads to higher costs to the consumer.

There are only two workable methods to develop this river to the maximum benefit to all. Preference is in the order named:

1. Continued congressional appropriation to build self-liquidating projects as has been successfully done for two decades but accelerated to the extent necessary to meet load demands, or

2. The creation of a regional corporation by the Congress, ratified by the States. This corporation could finance the many projects by issuing revenue bonds. It has been long advocated by the Portland Oregonian and the idea certainly has merits.

Personally, I do not like any part of the "partnership policy" announced by the Secretary of the Interior. This river belongs to the region, not to States, municipalities, or corporations. It should be developed to its maximum benefits solely for the people of the region.

Thank you for giving me this opportunity to express my views. I know that I am expressing the views of the members of my cooperative. I am certain you will receive many letters from individuals in the Northwest protesting this bill.

Again may I commend the spirit and intent of the bill but in practice it will work to the benefit of the few "partners" participating and to the detriment of the many power users.

Respectfully yours,

WILLARD I. JOHNSON,  
Manager.

PORTLAND, OREG., May 20, 1954.

Senator WAYNE L. MORSE,  
Senate Office Building:

Multnomah County Hells Canyon Association strongly opposes non-Federal development of Cougar and Priest Rapids Dam. Fear will be precedent for further breakup of integrated regional development and Portland area will suffer. Best regards.

GERALD H. ROBINSON.

**AMENDMENT OF CIVIL SERVICE RETIREMENT ACT RELATING TO ANNUITY BENEFITS**

Mr. CARLSON. Mr. President, on several occasions statements have been made on the floor of the Senate pertaining to loopholes in the Federal retirement laws. As chairman of the Senate Post Office and Civil Service Committee I have been greatly interested in these statements and have discussed the situation with the Civil Service Commission, members of the committee, and with other Members of the Senate. I am sure all of us want to cooperate in helping to bring about a better and stronger civil-service retirement program.

I now refer more specifically to the excellent statement on the floor of the Senate on June 8, 1954, by the distinguished Senator from Delaware [Mr. WILLIAMS], in which he refers to an employee of the United States Government who upon reaching the age of retirement



had taken advantage of a loophole in the retirement laws as they were passed a number of years ago whereby he withdrew his payments from a Government retirement fund, paid a very small amount into another Government retirement fund, and thereby greatly increased his retirement benefits.

The present administration in trying to plug these loopholes and to strengthen the retirement laws is presenting for the consideration of Congress a proposed amendment to the Civil Service Retirement Act. One of the specific purposes of the amendment is to plug a loophole in the present law through which valuable annuity rights may be acquired from nominal periods of coverage under the act. The amendment would require, for annuity title, at least 1 year of creditable civilian service subject to the act during the 2-year period immediately preceding separation.

Under the present law this separation may occur after extremely short periods of service, even as little as 1 day. Although abuses of the annuity rights under the present law may be infrequent, such abuses have happened and can happen. They seem to fall into two major groups.

First. The acquisition of annuity rights where none previously existed.

Second. The improvement of annuity rights already established.

It is the belief of the Civil Service Commission that the proposed amendment which I am about to offer would correct these abuses. I, therefore, introduce a bill to amend section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, for reference to the appropriate committee.

I ask unanimous consent to have printed in the RECORD an explanatory paper covering this amendment from the Chairman of the Civil Service Commission, Mr. Philip Young.

The PRESIDENT pro tempore. The bill will be received and appropriately referred; and, without objection, the letter will be printed in the RECORD.

The bill (S. 3627) to amend the Civil Service Retirement Act, as amended, introduced by Mr. CARLSON, was received, read twice by its title, and referred to the Committee on Post Office and Civil Service.

The letter referred to is as follows:

UNITED STATES CIVIL  
SERVICE COMMISSION,

Washington, D. C., June 11, 1954.

Hon. RICHARD M. NIXON,

Vice President of the United States.

DEAR MR. VICE PRESIDENT: The Commission herewith presents for the consideration of Congress a proposed amendment to the Civil Service Retirement Act. The purpose of the amendment is to plug a loophole in the present law, through which valuable annuity rights may be acquired from nominal periods of coverage under the act. The amendment would accomplish this by an additional requirement, for annuity title, of at least 1 year of creditable civilian service subject to the act during the 2-year period immediately preceding separation.

Under the present law, employment in a position subject to the Retirement Act immediately establishes annuity credit for all prior Federal service, both civilian and military. Upon subsequent separation from such position, annuity rights are determined by

the law then in effect, and by such other factors as attained age and type of annuity then elected. This separation may occur after ridiculously short periods of service, as little as 1 day.

Abuses fall into two major groups: (1) the acquisition of annuity rights where none theretofore existed; and (2) the improvement of annuity rights already established. These abuses are possible in the executive, legislative, and judicial branches of the Government.

As an example of the first-mentioned abuse, there is the case of a former officer of the Government who served 15 years in positions not subject to the Retirement Act, and of course made no contribution to the fund. After attaining age 62 and having been separated from Federal service for several years, he received an appointment within the purview of the retirement law. After serving under this appointment for less than 1 month, he separated and was eligible for immediate annuity, receiving credit for his prior 15 years' service. The annuity was worth more than \$16,000, toward which the employee contributed \$14.

Survivor annuity benefits are another example of the acquisition of annuity rights where none theretofore existed. The Retirement Act does not provide such benefits upon the death of a former employee, not retired. However, reemployment under the act of a married man with at least 5 years of prior civilian service immediately establishes valuable insurance protection in the form of potential annuity benefits to the surviving widow and children, if any. Under the proposed amendment, such benefits would not be payable if, at the time of death, the employee had not been subject to the act for at least 1 out of the 2 preceding years.

The improvement of annuity rights already established is well illustrated by the case of a former employee who, after 32 years of combined civil and military service (where he had attained the rank of lieutenant colonel), was removed for cause from his \$6,800 position effective October 17, 1950. This accorded him title to annuity beginning September 1, 1959, when he will attain age 62. On August 6, 1952, he was appointed to a newly created position of file clerk, GS-3, salary \$3,430 per annum, the appointment being temporary, not to exceed September 5, 1952. The appointing officer took action to place him subject to the retirement law in this employment. At the end of the month in which appointed, he retired optionally upon immediate annuity, having attained age 55. Because of this action, the beginning date of annuity in the case of this individual was accelerated by 7 years, although the rate of annuity was approximately 15 percent less than it would have been at age 62. However, the value of the immediate annuity, which was made possible by service of less than 1 month, exceeded the value of the annuity at age 62 by more than \$5,500.

In addition to the advancement of the commencing date of annuity, as illustrated above, there are two other important ways in which previously established annuity rights may be improved by nominal reemployment. The annuity of an employee retiring below age 60 for reasons other than disability is reduced by one-fourth of 1 percent for each full month month he is under the age of 60 years. By obtaining reemployment under the act, prior to attaining age 60, he may again retire at a higher age with a smaller reduction in his annuity. One case has come to our attention where an annuitant has effected two such brief reemployments subject to retirement, with an increase in annuity resulting each time.

The other way of improving previously established annuity rights involves the election of type of annuity—in effect, a second election not ordinarily afforded annuitants.

Under the Retirement Act, an employee must elect at retirement, a reduced annuity for himself if he wishes to provide annuity benefits for his widow. Should the wife predecease him, the reduction in his annuity continues. However, if he can obtain nominal reemployment prior to attainment of age 60, this reduction can be removed by the election of a full annuity upon subsequent separation. Or the reverse situation may occur; an original election not providing survivor benefits can be changed by reemployment (promoted perhaps by impaired health) to establish valuable annuity rights to the surviving widow.

I trust that by describing at some length these various abuses I have not left the impression that they are commonplace. The contrary is true; in fact, it is their relative infrequency which makes them so conspicuous. A few persons obtain advantages not contemplated by the Retirement Act. Any or all of these advantages could readily be made generally available by amendment of the act. For example, annuities might be paid to anyone who ever served the Federal Government. Annuities might be paid to the survivors of deceased former employees, not retired. Deferred annuities might commence at age 55 rather than age 62. There might be no reduction in annuity for retirement below age 60. And finally, annuity benefits might be provided for survivors of deceased annuitants, without the requirement of an election and a reduction in the annuities of the retiring employees.

However, each of these amendments would carry a substantial price tag, and taken together, would very materially increase the cost of the Civil Service retirement system. Congress has not seen fit to incorporate them in the Retirement Act; in fact, it has specifically legislated contrary provisions. It thus appears to the Commission that the intent of Congress is being violated by a relatively few persons, who are able to obtain nominal appointments leading to retirement benefits denied others not so fortunately situated.

The Commission believes that the proposed amendment would correct these abuses. It would add to the present provisions for annuity title the requirement that title shall not arise from any separation unless the employee has completed at least 1 year of civilian service subject to the act during the 2 years immediately preceding separation. This would assure substantial service and would discourage acceptance of appointments which, intentionally or otherwise, result in immediate acquisition of valuable retirement rights.

The Commission strongly urges the approval of this amendment by the Congress.

Sincerely yours,

PHILIP YOUNG,

Chairman

(By direction of the Commission).

#### CONDOLENCES TO FAMILIES OF OFFICERS AND CREW WHO LOST THEIR LIVES ON THE U. S. S. "BENNINGTON," ETC.

Mr. IVES. Mr. President, the American people were deeply shocked and grieved when they learned the news of the tragic explosion on the U. S. S. *Bennington* on May 26. At the same time, their pride in the men and traditions of the United States Navy was confirmed through the heroic actions of the officers and crew members of the *Bennington*.

It is most appropriate that the Congress, in an expression of the feelings of the American people, tender its condolences to the families of those who lost their lives in this disaster and convey



Without amendment—S. 3710, authorizing execution of an amendatory contract with American Falls Reservoir District No. 2 in Idaho; H. R. 1797, conveyance of land to Oklahoma for use of the Eastern Oklahoma Agricultural and Mechanical College; H. R. 3419, to authorize a \$50 per capita payment to Red Lake Band of Chippewa Indians from proceeds of sale of timber on Red Lake Reservation; S. 114, authorizing appropriations for the construction, operation, and maintenance of the western land boundary fence project, U. S. and Mexico; and

Amended—H. R. 8520, to provide for construction of certain irrigation units in the Missouri Basin project; S. 3570, to authorize the sale of certain lands in Utah; S. 3420, to authorize execution of an amendatory contract with the Black Canyon Irrigation District, Idaho; S. 3040, to provide financial assistance to the Oakdale and South San Joaquin Irrigation Districts, California, in the construction of the Tri-Dam project; S. 3708, authorizing sale and conveyance of certain Parker-Davis transmission facilities and related property in Arizona and California; S. 2153, authorizing addition to Pipestone National Monument of certain lands in Minnesota in order to protect archeological remains; S. 3043, to authorize long-term leases on certain restricted Indian lands in Arizona and New Mexico; and H. R. 4118, to authorize preparation of rolls of persons of Indian blood whose ancestors were members of certain tribes in Oregon, relative to fund distribution.

#### MISCELLANEOUS BILLS AND NOMINATIONS

*Committee on Post Office and Civil Service:* Commit-

tee, in executive session, ordered favorably reported the following:

Without amendment—S. 3627, to amend the Civil Service Retirement Act regarding annuities; H. R. 7398, to repeal the requirement of section 3921 of the Revised Statutes that postmasters report to the Postmaster General failure to cancel postage stamps; H. R. 7399, to authorize the sale of postage-due stamps for philatelic purposes; and H. R. 8921, establishing the rate of compensation for the position of the General Counsel of the Department of Commerce;

With an amendment—S. 2631, to prohibit the payment of Government retirement benefits to persons convicted of certain offenses; and

Miscellaneous postmaster nominations.

#### SMITHSONIAN INSTITUTION

*Committee on Public Works:* Committee ordered favorably reported with amendments S. 3622, to provide for the preparation of plans and specifications for a museum building for the Smithsonian Institution.

#### INVESTIGATING COMMITTEES—RULES OF PROCEDURE

*Committee on Rules and Administration:* Subcommittee on Rules resumed its hearings with regard to miscellaneous resolutions dealing with rules of procedure for investigating committees. The witness heard today was C. Dickerman Williams, a New York attorney and formerly General Counsel of the Department of Commerce.

Hearings continue tomorrow.

## House of Representatives

### Chamber Action

**Bills Introduced:** 12 public bills, H. R. 10149–10160; 9 private bills, H. R. 10161–10169; and 4 resolutions, H. J. Res. 580, H. Con. Res. 267, and H. Res. 695–696, were introduced.

Pages 12455–12456

**Bills Reported:** Reports were filed as follows:

Sixteen private bills, S. 45, 1308, 1845, 1904, 1959, 2156, 2461, 2618, 2798, 2958, H. R. 1190, 2030, 7362, 7719, 8261, and 8994 (H. Repts. 2589–2604, respectively);

Disposition of Executive Papers (H. Rept. 2605);

S. 16, to amend the immunity provision (sec. 3486 of the U. S. Code) relating to testimony given by witnesses before either House of Congress or its committees (H. Rept. 2606);

S. 361, to provide for renewal of and adjustment of compensation under contracts for carrying mail on water routes (H. Rept. 2607);

H. R. 6616, to amend title 17 of the U. S. Code, entitled "Copyrights" (H. Rept. 2608);

H. J. Res. 563, relating to corn sales by the Commodity Credit Corporation, amended (H. Rept. 2609);

H. R. 8859, directs the Secretary of the Interior to convey by quitclaim deed to the city of Pawnee, Okla., all of the right, title, and interest of the United States in and to the tract of land in Pawnee County, Okla., known as Mission Park (H. Rept. 2610);

H. R. 9790, to amend the act of June 30, 1948, so as to extend for 5 additional years the authority of the Secretary of the Interior to issue patents for certain public lands in Monroe County, Mich., held under color of title (H. Rept. 2611); and

H. R. 4975, to prescribe a method by which the Houses of Congress and their committees may invoke the aid of the courts in compelling the testimony of witnesses (H. Rept. 2612).

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**Veto Message:** Received a veto message from the President on H. R. 5185, a private bill. The message was referred to the Committee on the Judiciary and ordered printed as a House document (H. Doc. 484).

Page 12379

**Consent Calendar:** Considered and passed the following bills on the call of the Consent Calendar.



Cleared for the President:

*Fishing vessels:* S. J. Res. 67, to repeal certain World War II laws relating to return of fishing vessels.

*John Marshall:* S. J. Res. 149 (in lieu of H. J. Res. 340) designating the month of September 1955 as John Marshall Bicentennial Month.

*Mail contracts:* S. 1244, relating to the renewal of contracts for carrying of mail on star routes.

*Quitclaim deeds:* S. 2027, authorizing Secretary of Interior to issue quitclaim deeds to States for certain lands.

*Coast and Geodetic Survey officers:* S. 2389, granting commissioned officers of Coast and Geodetic Survey certain military benefits and rights during time of war.

*Communications:* S. 2453, to amend the Communications Act of 1934 with respect to implementing the International Convention for the Safety of Life at Sea relating to radio equipment and radio operators on board ship.

*Safety on Great Lakes:* S. 3464, to make certain provision for the carrying out of the Agreement for the Promotion of Safety on the Great Lakes by Means of Radio.

*Insect control:* S. 3697, cooperation with Canada or Mexico for the control of insects and plant diseases.

*Sabine River:* S. 3699, granting Federal approval to the interstate compact on the Sabine River.

Sent to the Senate without amendment:

*Pan-American Institute:* H. J. Res. 565, providing for membership of the U. S. in the Pan-American Institute of Geography and History.

*Dual compensation:* H. R. 5718, to limit the period for collection by the United States of compensation received by officers and employees in violation of the dual compensation laws.

*Air cargo regulations:* H. R. 6310, to exempt from regulation by the CAB operations in the transportation of livestock, fish, floricultural, and horticultural commodities.

*Indians:* H. R. 7290, to authorize an appropriation for the construction of certain public-school facilities on the Klamath Indian Reservation at Chiloquin, Oreg.

*Canal Zone:* H. R. 7334, authorizing certain property transactions in Cocoli, C. Z.

*Hawaiian covenant:* H. R. 7569, to authorize the removal of a restrictive covenant on land patent No. 9628, issued to the board of the Hawaiian Evangelical Association on January 18, 1929, and covering lots 5 and 6 of Waimea townlots, situated in the county of Kauai, T. H.

*Bankruptcy:* H. R. 8210, to amend section 14 of the Bankruptcy Act, relating to discharges, and section 58, relating to notices.

*Indians:* H. R. 8365, declares valid all patents-in-fee heretofore issued to the Mission Indians in the State of California notwithstanding issuance prior to the expiration of the trust period existing with respect to a trust patent.

*Public lands:* H. R. 8821, to authorize the exchange of lands acquired by the United States for the Catoctin recreational demonstration area, Frederick County, Md.

*Merchant marine chapel:* H. R. 9115, to invest in Government obligations the contributions accepted by the 80th Congress (P. L. 485) for the construction of a merchant marine chapel, pending their use for such construction.

*Military nurses:* H. R. 9740, for the relief of certain Army and Air Force nurses.

*Post-office vehicles:* H. R. 9825, to authorize the Postmaster General to prohibit or regulate the use of Government property under his custody and control for the parking or storage of vehicles.

*Germany Embassy:* H. R. 9988, to enable the Federal Republic of Germany to acquire and maintain a German Embassy in the District of Columbia.

Sent to the Senate, amended:

*Alexander Hamilton:* S. J. Res. 140 (in lieu of H. J. Res. 472), to establish a commission for the celebration of the 200th anniversary of the birth of Alexander Hamilton.

*Woodrow Wilson:* S. J. Res. 147 (in lieu of H. J. Res. 509), to establish the Woodrow Wilson Centennial Celebration Commission.

*Military leave payment:* S. 22, to validate certain payments for accrued leave made to members of the Armed Forces who accepted discharges for the purpose of immediate reenlistment for an indefinite period.

*Medical education:* S. 1748 (in lieu of H. R. 7914), to incorporate the National Fund for Medical Education.

*Texas Indians:* S. 2744, to provide for the termination of Federal supervision over the property of the Alabama and Coushatta Tribes of Indians of Texas.

*Klamath Indians:* S. 2745, to provide for termination of Federal supervision over property of Klamath Tribe of Indians of Oregon.

*Oregon Indians:* S. 2746, to provide for termination of Federal supervision over property of certain tribes of Indians located in western Oregon.

*California inspection station:* S. 3239, conveyance of land to State of California for inspection station.

*Nevada land:* S. 3302, granting certain public lands to the Las Vegas Valley Water District, Nevada.

*Ute Indians:* S. 3532, distribution of assets of Ute Tribe of Uintah and Ouray Reservation in Utah.

*Kern County Schools:* H. J. Res. 550, to permit Federal release of reversionary rights of certain property for school purposes in Kern County, Calif.

*Public Lands:* H. R. 1254, to provide authorization for certain uses of public lands.

*Hawaii:* H. R. 2843, to authorize the Secretary of the Interior to investigate and report to Congress on the conservation, development, and utilization of water resources in Hawaii.

*Claims:* H. R. 5183, to confer jurisdiction on the Court of Claims to hear, determine, and render judgment.





AMENDING THE CIVIL SERVICE RETIREMENT ACT OF  
1930 AS AMENDED

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AUGUST 5, 1954.—Ordered to be printed

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Mr. CARLSON, from the Committee on Post Office and Civil Service,  
submitted the following

## REPORT

[To accompany S. 3627]

The Committee on Post Office and Civil Service, to whom was referred the bill (S. 3627) to amend the Civil Service Retirement Act, as amended, having considered the same, report favorably thereon without amendment, and recommend that the bill do pass.

## STATEMENT

The purpose of this legislation is to stop a legal loophole in the present retirement law which allows an employee, after performing 5 or more years of Federal service but never having been subject to the Civil Service Retirement Act, to be appointed to a position under the act for a few weeks and then be retired with an annuity toward which he has made no material contribution. Under such circumstances, even though the annuity would not be for the full amount, it would only be reduced by 10 percent of the sum needed to cover such prior service. It would also prevent an employee, by means of such short service period, to greatly enhance an annuity right which he had acquired through the prior employment.

This bill would amend the present law to require an employee to complete 1 year of creditable civilian service subject to the Civil Service Retirement Act within the 2-year period preceding separation in order to establish title to his annuity from the civil service retirement and disability fund. If an employee fails to meet this service requirement during his last employment, he is not by the bill deprived of any annuity right he might have acquired previously but such right shall continue and the latter incomplete service will not add to it. In other words, no additional credit would accrue for the service subsequent to the date of the separation on which title to the annuity is based and all amounts deducted from salary for retirement purposes



during this period of additional service will be refunded to the employee without interest. The bill would cover all employees in the executive, judicial, and legislative branches of the Government, including heads of departments, and Members of Congress.

Under the present law, employment in a position subject to the Retirement Act immediately establishes annuity credit for all prior Federal service, both civilian and military. Upon subsequent separation from such position, annuity rights are determined by the law then in effect, and by such other factors as attained age and type of annuity elected. These separations may occur after ridiculously short periods of service, as little as 1 day. An example of an existing case brought before the committee shows that an employee having contributed only \$63 to the retirement fund covering a short period of 2 months and 3 days is in receipt of a life annuity under the Civil Service Retirement Act of \$2,748 per annum with a right vested in his wife to receive an annuity of \$1,488 per annum if she survives him. This annuity is predicated on service of the employee from February 1, 1915, to September 15, 1934, during which he was not subject to any Retirement Act and made no retirement contribution; service in the Tennessee Valley Authority from September 17, 1934, to April 25, 1952, during which the employee was under the retirement system applicable to that agency and from which he withdrew his contribution of \$7,883.61 plus interest of \$1,027.62 upon his resignation from the Tennessee Valley Authority on April 25, 1952; and further service during his short period (2 months and 3 days) of reemployment in the Department of Agriculture. The employee became subject to the Civil Service Retirement Act for the first time when his last appointment in the Department of Agriculture became effective and deductions from his salary for retirement purposes were made covering the period of April 28, 1952, to June 30, 1952, on which date his services were terminated.

By the terms of the Civil Service Retirement Act, all prior Government service becomes creditable when the employee secures retirement coverage. This provision has consistently been construed as covering service under another Federal civilian retirement system if the employee is not receiving annuity benefits under such other system. Service in the Tennessee Valley Authority falls in this category.

Congress in enacting the Civil Service Retirement Act of May 29, 1930, authorized and directed the Civil Service Commission to perform any and all acts and to issue rules and regulations as may be necessary for carrying out provisions of the act. The Civil Service Commission has not considered that it has authority to issue a regulation requiring redeposit of sums for service under retirement systems other than the civil service retirement system before such service could be accredited under the civil service retirement system. The Retirement Act is specific in spelling out that where an employee has been under the civil service retirement system and obtains a refund upon separation from the service, or because of transfer to another position not under the act, he must upon reemployment redeposit such refund with interest before becoming entitled to any credit for the service covered thereby, but makes deposit optional to cover all other past service with only the 10 percent annuity reduction upon failure to pay.

This bill contemplates the correction of such abuses by adding to the present provisions for annuity title the requirement that title shall not arise from any separation unless the employee has completed at least 1 year of civilian service subject to the Civil Service Retirement Act during the 2 years immediately preceding separation. This would discourage acceptance of appointments which intentionally or otherwise now result in immediate acquisition of valuable retirement rights.

The committee in its lengthy discussion and review of abuses which have taken place under this legal loophole strongly favored the enactment of this legislation and expressed the dire need for a thorough and expeditious study to bring forth proposed legislation which will provide equitable and fair transition provisions covering creditable service between all Federal Government retirement systems.

#### AGENCY REPORTS

The following reports on S. 3627 were submitted at the request of the committee and are set forth below:

EXECUTIVE OFFICE OF THE PRESIDENT,  
BUREAU OF THE BUDGET,  
Washington, D. C., June 29, 1954.

HON. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,*  
*United States Senate, Washington, D. C.*

7 MY DEAR MR. CHAIRMAN: This will acknowledge your request of June 21, 1954, for the views of the Bureau of the Budget on S. 3627, a bill to amend the Civil Service Retirement Act, as amended.

This bill would amend the Civil Service Retirement Act to provide that no separation of an officer or employee, such as retirement, involuntary separation, or death, would result in entitlement to a benefit under that act unless preceded by at least 1 year of creditable civilian service during which such officer or employee was subject to that act, within the 2 years immediately prior to the separation.

The general purpose of this bill is to prevent the acquisition of entitlement to benefits based on short service subject to the Civil Service Retirement Act by officers or employees of the Government who transfer to employment subject to that act from Federal employment not subject thereto or who are reemployed after earlier separation or retirement. As that act is presently worded, entitlement may be acquired in some circumstances through extremely short periods of coverage. It is believed S. 3627 is a desirable measure in requiring at least 1 year's service.

Accordingly, the Bureau of the Budget recommends S. 3627 to the favorable consideration of your committee.

Sincerely yours,

DONALD R. BELCHER,  
*Assistant Director.*

COMPTROLLER GENERAL OF THE UNITED STATES,  
Washington, July 19, 1954.

HON. FRANK CARLSON,  
*Chairman, Committee on Post Office and Civil Service,*  
*United States Senate.*

DEAR MR. CHAIRMAN: Reference is made to your letter of June 21, 1954, acknowledged by telephone June 23, enclosing copy of S. 3627 entitled "A bill to amend the Civil Service Retirement Act, as amended," and requesting any comments this Office may wish to submit thereon.

This bill would appear to contemplate the correction of situations exemplified by a recent case, involving an employee who had service in the Department of Agriculture from 1915 to 1934, during which period he was not subject to the Civil Service Retirement Act. The employee then received an appointment in



the Tennessee Valley Authority, where he was employed from 1934 to 1952, and was subject to a different retirement system applicable only to that agency. On April 25, 1952, he resigned from the Tennessee Valley Authority, withdrew his contribution to that agency's retirement fund, plus interest, amounting to approximately \$9,000, and was then, on April 28, 1952, employed in a position subject to Civil Service Retirement Act for a period of a little over 2 months. Upon his separation from the latter employment on June 30, 1952, he was granted, after having made contributions to the civil service retirement fund of only \$63, a life annuity of \$2,748 per annum with a survivor annuity to his wife of \$1,488 per annum.

The bill would also overcome the effect of a recent Court of Claims decision awarding in effect an annuity to an individual, based on civilian service rendered between 1906 and 1913, prior to the enactment of the Civil Service Retirement Act, plus subsequent military service in excess of that required for determining his military retired pay, there having been no return to civilian duty whatsoever (*Prentiss v. United States*, 126 C. Cls. 521).

Other situations, which would be eliminated by the bill, are those arising out of the reemployment of employees before age 60 years who are receiving reduced annuities. Under the present Civil Service Retirement Act the annuity of a retired person is not affected by any subsequent employment based on special qualifications after he reaches the age of 60 years, the annuity being continued during such reemployment but deductible from the compensation otherwise payable in the reemployed position (5 U. S. C. 715). However, a person retired who has not reached 60 years of age may be reemployed generally, in which event his annuity is terminated and recomputed upon subsequent separation (R5-58.01, Federal Personnel Manual). In other words, an employee may be retired prior to reaching age 60, as authorized by law, and at that time receive a reduction in his annuity of one-fourth of 1 percent for each month under 60 years of age. Thereafter, within a few months of reaching age 60, he may seek reemployment until his 60th birthday and then resign so as to become entitled to an annuity based on his last separation, there then being no requirement for any deduction in the amount of the annuity. Without the recomputation of the annuity occasioned by the employee's reemployment, the reduction in the annuity would have been permanent.

The type cases enumerated herein would appear to go far beyond the intent of the Congress in the enactment of the Civil Service Retirement Act, and amendments thereto, and might seriously impair the retirement fund. Accordingly, I have no hesitancy in recommending that the bill be enacted into law. However, in addition to the present provisions of the bill, I would suggest that consideration be given to requiring a deposit into the civil service retirement fund before an employee is entitled to credit for service under another Government retirement system, such as in the Tennessee Valley Authority case previously discussed herein. Such deposit should be equal to the amount that would have been deducted from the employee's salary had he been subject to the Civil Service Retirement Act for the entire period.

Sincerely,

FRANK H. WEITZEL,  
*Acting Comptroller General of the United States.*

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill (joint resolution) as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

### CIVIL SERVICE RETIREMENT ACT OF 1930, AS AMENDED

#### COMPUTATION OF ACCREDITED SERVICE

SEC. 5. \* \* \* Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or inde-



pendent offices, or the legislative branch of the Government, \* \* \* and periods of service as an officer or employee of the Columbia Institution for the Deaf, \* \* \* and of the Pan American Sanitary Bureau, \* \* \* and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension or compensation in addition to the annuity herein provided. \* \* \*

In computing length of service for the purposes of this Act, all periods of separation from the service, and so much of any leaves of absence as may exceed six months in the aggregate in any calendar year, shall be excluded, \* \* \* except leaves of absence granted employees while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States or \* \* \* while receiving benefits under the United States Employees' Compensation Act, and in the case of substitutes in the Postal Service credit shall be given from date of original appointment as a substitute.

\* \* \* No officer or employee to whom this Act applies who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the armed forces of the United States shall be considered as separated from such position for the purposes of this Act by reason of his service with the armed forces of the United States. This paragraph shall not be so construed as to prevent the payment of refunds as provided by section 7 (a) or 12 (b) of this Act. \* \* \*

In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, in the total service shall be eliminated.

\* \* \* \* \*

*Notwithstanding any provision of law to the contrary, title to annuity payable from the civil service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the two-year period immediately preceding such separation, completed at least one year of creditable civilian service during which he was subject to this Act. Any annuity rights based on a separation which (a) terminated service meeting this requirement, or (b) occurred prior to this amendment, shall be restored upon separation from subsequent service which fails to meet said requirement.*

*No credit shall be allowed for any service subsequent to the date of the separation on which title to annuity is based. Any amounts deducted from salary for retirement purposes during such service shall upon separation be refunded to such officer or employee without interest, and shall be subject to redeposit as provided in section 12 (b) (2) of this Act. Any such amount not so refunded to the officer or employee before his death shall be paid in the order of precedence prescribed in section 12 (c).*

\* \* \* \* \*









83<sup>d</sup> CONGRESS  
2<sup>d</sup> SESSION

Calendar No. 2260

**S. 3627**

[Report No. 2230]

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IN THE SENATE OF THE UNITED STATES

JUNE 17 (legislative day, JUNE 11), 1954

Mr. CARLSON introduced the following bill; which was read twice and referred to the Committee on Post Office and Civil Service

AUGUST 5, 1954

Reported by Mr. CARLSON, without amendment

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**A BILL**

To amend the Civil Service Retirement Act, as amended.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 5 of the Civil Service Retirement Act of May  
4       29, 1930, as amended, is amended by adding at the end  
5       thereof the following:

6       “Notwithstanding any provision of law to the contrary,  
7       title to annuity payable from the civil service retirement  
8       and disability fund shall not arise from any separation  
9       unless the officer or employee so separated has, within the  
10      two-year period immediately preceding such separation,  
11      completed at least one year of creditable civilian service

1 during which he was subject to this Act. Any annuity rights  
2 based on a separation which (a) terminated service meet-  
3 ing this requirement, or (b) occurred prior to this amend-  
4 ment, shall be restored upon separation from subsequent  
5 service which fails to meet said requirement.

6 “No credit shall be allowed for any service subsequent  
7 to the date of the separation on which title to annuity is  
8 based. Any amounts deducted from salary for retirement  
9 purposes during such service shall upon separation be re-  
10 funded to such officer or employee without interest, and  
11 shall be subject to redeposit as provided in section 12 (b)  
12 (2) of this Act. Any such amount not so refunded to the  
13 officer or employee before his death shall be paid in the  
14 order of precedence prescribed in section 12 (e).”



[Report No. 2230]

A BILL

To amend the Civil Service Retirement Act, as amended.

By Mr. CARLSON

JUNE 17 (legislative day, JUNE 11), 1954

Read twice and referred to the Committee on Post Office and Civil Service

AUGUST 5, 1954

Reported without amendment







## AMENDING THE CIVIL SERVICE RETIREMENT ACT OF 1930, AS AMENDED

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AUGUST 9, 1954.—Committed to the Committee of the Whole House on the State  
of the Union and ordered to be printed

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Mr. COLE of Missouri, from the Committee on Post Office and Civil  
Service, submitted the following

### R E P O R T

[To accompany H. R. 9586]

The Committee on Post Office and Civil Service, to whom was referred the bill (H. R. 9586) to amend the Civil Service Retirement Act, having considered the same, report favorably thereon without amendment and recommend that the bill do pass.

#### STATEMENT

The purpose of this legislation is to stop a legal loophole in the present retirement law which allows an employee, after performing 5 or more years of Federal service, but never having been subject to the Civil Service Retirement Act, to be appointed to a position under the act for a short period of time and then be retired with an annuity toward which he has made no material contribution. Under such circumstances, even though the annuity would not be for the full amount, it would only be reduced by 10 percent of the sum needed to cover such prior service. It would also eliminate the possibility that an employee, by means of such short service period, would greatly enhance an annuity right which he had acquired through the prior employment.

This bill amends the present law to require an employee to complete 1 year of creditable civilian service subject to the Civil Service Retirement Act within the 2-year period preceding separation in order to establish title to his annuity from the civil service retirement and disability fund. If an employee fails to meet this service requirement during his last employment, he is not by the bill deprived of any annuity right he might have acquired previously but such right shall continue and the latter incomplete service will not add to it. No

additional credit would accrue for the service subsequent to the date of the separation on which title to the annuity is based and all amounts deducted from salary for retirement purposes during this period of additional service will be refunded to the employee without interest. The bill would cover all employees in the executive, judicial, and legislative branches of the Government, including heads of departments and Members of Congress.

Under the present law, employment in a position subject to the Retirement Act immediately establishes annuity credit for all prior Federal service, both civilian and military. Upon subsequent separation from such position, annuity rights are determined by the law then in effect, and by such other factors as attained age and type of annuity elected. These separations may occur after ridiculously short periods of service, as little as 1 day.

An example of an existing case brought before the committee shows that an employee having contributed only \$63 to the retirement fund covering a short period of 2 months and 3 days is in receipt of a life annuity under the Civil Service Retirement Act of \$2,748 per annum with a right vested in his wife to receive an annuity of \$1,488 per annum if she survives him. This annuity is predicated on service of the employee from February 1, 1915, to September 15, 1934, during which he was not subject to any Retirement Act and made no retirement contribution; service in the Tennessee Valley Authority from September 17, 1934, to April 25, 1952, during which the employee was under the retirement system applicable to that agency and from which he withdrew his contribution of \$7,883.61 plus interest of \$1,027.62 upon his resignation from the Tennessee Valley Authority on April 25, 1952; and further service during his short period (2 months and 3 days) of reemployment in the Department of Agriculture. The employee became subject to the Civil Service Retirement Act for the first time when his last appointment in the Department of Agriculture became effective and deductions from his salary for retirement purposes were made covering the period of April 28, 1952, to June 30, 1952, on which date his services were terminated.

By the terms of the Civil Service Retirement Act, all prior Government service becomes creditable when the employee secures retirement coverage. This provision has consistently been construed as covering service under another Federal civilian retirement system if the employee is not receiving annuity benefits under such other system. Service in the Tennessee Valley Authority falls in this category.

Congress in enacting the Civil Service Retirement Act of May 29, 1930, authorized and directed the Civil Service Commission to perform any and all acts and to issue rules and regulations as may be necessary for carrying out provisions of the act. The Civil Service Commission has not considered that it has authority to issue a regulation requiring redeposit of sums for service under retirement systems other than the civil service retirement system before such service could be accredited under the civil service retirement system. The Retirement Act is specific in spelling out that where an employee has been under the civil service retirement system and obtains a refund upon separation from the service, or because of transfer to another position not under the act, he must upon reemployment redeposit such refund with interest before becoming entitled to any credit for the service covered thereby, but makes deposit optional to cover all



other past service with only the 10-percent annuity reduction upon failure to pay.

This bill provides for the correction of such abuses by adding to the present provisions for annuity title the requirement that title shall not arise from any separation unless the employee has completed at least 1 year of civilian service subject to the Civil Service Retirement Act during the 2 years immediately preceding separation. This would discourage acceptance of appointments which intentionally or otherwise now result in immediate acquisition of valuable retirement rights.

The letter of the Civil Service Commission requesting this legislation follows.

UNITED STATES CIVIL SERVICE COMMISSION,  
Washington 25, D. C., June 11, 1954.

HON. JOSEPH W. MARTIN, JR.,  
*Speaker of the House of Representatives.*

DEAR MR. SPEAKER: The Commission herewith presents for the consideration of Congress a proposed amendment to the Civil Service Retirement Act. The purpose of the amendment is to plug a loophole in the present law, through which valuable annuity rights may be acquired from nominal periods of coverage under the act. The amendment would accomplish this by an additional requirement, for annuity title, of at least 1 year of creditable civilian service subject to the act during the 2-year period immediately preceding separation.

Under the present law, employment in a position subject to the Retirement Act immediately establishes annuity credit for all prior Federal service, both civilian and military. Upon subsequent separation from such position, annuity rights are determined by the law then in effect, and by such other factors as attained age and type of annuity then elected. This separation may occur after ridiculously short periods of service, as little as 1 day.

Abuses fall into two major groups: (1) The acquisition of annuity rights where none theretofore existed; and (2) the improvement of annuity rights already established. These abuses are possible in the executive, legislative, and judicial branches of the Government.

As an example of the first-mentioned abuse, there is the case of a former officer of the Government who served 15 years in positions not subject to the Retirement Act, and of course made no contribution to the fund. After attaining age 62 and having been separated from Federal service for several years, he received an appointment within the purview of the retirement law. After serving under this appointment for less than 1 month, he separated and was eligible for immediate annuity, receiving credit for his prior 15 years' service. The annuity was worth more than \$16,000, toward which the employee contributed \$14.

Survivor annuity benefits are another example of the acquisition of annuity rights where none theretofore existed. The Retirement Act does not provide such benefits upon the death of a former employee, not retired. However, re-employment under the act of a married man with at least 5 years of prior civilian service immediately establishes valuable insurance protection in the form of potential annuity benefits to the surviving widow and children, if any. Under the proposed amendment, such benefits would not be payable if, at the time of death, the employee had not been subject to the act for at least 1 out of the 2 preceding years.

The improvement of annuity rights already established is well illustrated by the case of a former employee who, after 32 years of combined civil and military service (where he had attained the rank of lieutenant colonel), was removed for cause from his \$6,800 position effective October 17, 1950. This accorded him title to annuity beginning September 1, 1959, when he will attain age 62. On August 6, 1952, he was appointed to a newly created position of file clerk, GS-3, salary \$3,430 per annum, the appointment being temporary, not to exceed September 5, 1952. The appointing officer took action to place him subject to the retirement law in this employment. At the end of the month in which appointed, he retired optionally upon immediate annuity, having attained age 55. Because of this action, the beginning date of annuity in the case of this individual was accelerated by 7 years, although the rate of annuity was approximately 15 percent less than it would have been at age 62. However, the value of the immediate annuity, which was made possible by service of less than 1 month, exceeded the value of the annuity at age 62 by more than \$5,500.

#### 4 AMEND CIVIL SERVICE RETIREMENT ACT OF 1930, AS AMENDED

In addition to the advancement of the commencing date of annuity, as illustrated above, there are two other important ways in which previously established annuity rights may be improved by nominal reemployment. The annuity of an employee retiring below age 60 for reasons other than disability is reduced by a quarter of 1 percent for each full month he is under the age of 60 years. By obtaining reemployment under the act, prior to attaining age 60, he may again retire at a higher age with a smaller reduction of his annuity. One case has come to our attention where an annuitant has effected two such brief reemployments subsequent to retirement, with an increase in annuity resulting each time.

The other way of improving previously established annuity rights involves the election of type of annuity—in effect, a second election not ordinarily afforded annuitants. Under the Retirement Act, an employee must elect, at retirement, a reduced annuity for himself if he wishes to provide annuity benefits for his widow. Should the wife predecease him, the reduction in his annuity continues. However, if he can obtain nominal reemployment prior to attainment at age 60, this reduction can be removed by the election of a full annuity upon subsequent separation. Or the reverse situation may occur; an original election not providing survivor benefits can be changed by reemployment (prompted perhaps by impaired health) to establish valuable annuity rights to the surviving widow.

I trust that by describing at some length these various abuses I have not left the impression that they are commonplace. The contrary is true; in fact, it is their relative infrequency which makes them so conspicuous. A few persons obtain advantages not contemplated by the Retirement Act. Any or all of these advantages could readily be made generally available by amendment of the act. For example, annuities might be paid to anyone who ever served the Federal Government. Annuities might be paid to the survivors of deceased former employees, not retired. Deferred annuities might commence at age 55 rather than age 62. There might be no reduction in annuity for retirement below age 60. And, finally, annuity benefits might be provided for survivors of deceased annuitants without the requirement of an election and a reduction in the annuities of the retiring employees.

However, each of these amendments would carry a substantial price tag, and taken together, would very materially increase the cost of the civil service retirement system. Congress has not seen fit to incorporate them in the Retirement Act; in fact, it has specifically legislated contrary provisions. It thus appears to the Commission that the intent of Congress is being violated by a relatively few persons, who are able to obtain nominal appointments leading to retirement benefits denied others not so fortunately situated.

The Commission believes that the proposed amendment would correct these abuses. It would add to the present provisions for annuity title the requirement that title shall not arise from any separation unless the employee has completed at least 1 year of civilian service subject to the act during the 2 years immediately preceding separation. This would assure substantial service and would discourage acceptance of appointments which, intentionally or otherwise, result in immediate acquisition of valuable retirement rights.

The Commission strongly urges the approval of this amendment by the Congress.

By direction of the Commission:

Sincerely yours,

PHILIP YOUNG, *Chairman.*

#### CHANGES IN EXISTING LAW

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as introduced, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in italics, existing law in which no change is proposed is shown in roman):

#### CIVIL SERVICE RETIREMENT ACT OF 1930, AS AMENDED

##### COMPUTATION OF ACCREDITED SERVICE

SEC. 5. \* \* \* Subject to the provisions of section 9 hereof, the aggregate period of service which forms the basis for calculating the amount of any annuity provided in this Act shall be computed from the date of original employment, whether as a classified or an unclassified officer or employee in the civil service of



the United States, or in the service of the District of Columbia, including periods of service at different times and in one or more departments, branches, or independent offices, or the legislative branch of the Government, \* \* \* and periods of service as an officer or employee of the Columbia Institution for the Deaf, \* \* \* and of the Pan American Sanitary Bureau, \* \* \* and also periods of service performed overseas under authority of the United States, and periods of honorable service in the Army, Navy, Marine Corps, or Coast Guard of the United States; in the case of an officer or employee, however, who is eligible for and receives retired pay on account of military or naval service, the period of service upon which such retired pay is based shall not be included, except that in the case of an officer or employee who is eligible for and receives retired pay on account of a service-connected disability incurred in combat with an enemy of the United States or resulting from an explosion of an instrument of war, the period of the military service shall be included: *Provided*, That an officer or employee must have served for a total period of not less than five years exclusive of such military or naval service before he shall be eligible for annuity under this Act. Nothing in this Act shall be construed as to affect in any manner an officer's or employee's right to retired pay, pension or compensation in addition to the annuity herein provided. \* \* \*

In computing length of service for the purposes of this Act, all periods of separation from the service, and so much of any leaves of absence as may exceed six months in the aggregate in any calendar year, shall be excluded, \* \* \* except leaves of absence granted employees while performing active military or naval service in the Army, Navy, Marine Corps, or Coast Guard of the United States or \* \* \* while receiving benefits under the United States Employees' Compensation Act, and in the case of substitutes in the Postal Service credit shall be given from date of original appointment as a substitute.

\* \* \* No officer or employee to whom this Act applies who during the period of any war, or of any national emergency as proclaimed by the President or declared by the Congress, has left or leaves his position to enter the armed forces of the United States shall be considered as separated from such position for the purposes of this Act by reason of his service with the armed forces of the United States. This paragraph shall not be so construed as to prevent the payment of refunds as provided by section 7 (a) or 12 (b) of this Act. \* \* \*

In determining the aggregate period of service upon which the annuity is to be based, the fractional part of a month, if any, in the total service shall be eliminated.

\* \* \* \* \*

*Notwithstanding any provision of law to the contrary, title to annuity payable from the civil service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the two-year period immediately preceding such separation, completed at least one year of creditable civilian service during which he was subject to this Act. Any annuity rights based on a separation which (a) terminated service meeting this requirement, or (b) occurred prior to this amendment, shall be restored upon separation from subsequent service which fails to meet said requirement.*

*No credit shall be allowed for any service subsequent to the date of the separation on which title to annuity is based. Any amounts deducted from salary for retirement purposes during such service shall upon separation be refunded to such officer or employee without interest, and shall be subject to redeposit as provided in section 12 (b) (2) of this Act. Any such amount not so refunded to the officer or employee before his death shall be paid in the order of precedence prescribed in section 12 (e).*

\* \* \* \* \*











Union Calendar No. 910

83<sup>D</sup> CONGRESS  
2<sup>D</sup> SESSION

# H. R. 9586

[Report No. 2648]

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 16, 1954

Mr. REES of Kansas introduced the following bill; which was referred to the  
Committee on Post Office and Civil Service

AUGUST 9, 1954

Committed to the Committee of the Whole House on the State of the Union  
and ordered to be printed

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## A BILL

To amend the Civil Service Retirement Act.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That section 5 of the Civil Service Retirement Act of May  
4       29, 1930, as amended, is amended by adding at the end  
5       thereof the following:

6       “Notwithstanding any provision of law to the contrary,  
7       title to annuity payable from the civil service retirement and  
8       disability fund shall not arise from any separation unless the  
9       officer or employee so separated has, within the two-year  
10      period immediately preceding such separation, completed  
11      at least one year of creditable civilian service during which

1 he was subject to this Act. Any annuity rights based on a  
2 separation which (a) terminated service meeting this re-  
3 quirement or (b) occurred prior to this amendment, shall be  
4 restored upon separation from subsequent service which  
5 fails to meet said requirement.

6 “No credit shall be allowed for any service subsequent  
7 to the date of the separation on which title to annuity is  
8 based. Any amounts deducted from salary for retirement  
9 purposes during such service shall upon separation be re-  
10 funded to such officer or employee without interest, and  
11 shall be subject to redeposit as provided in section 12 (b)  
12 (2) of this Act. Any such amount not so refunded to the  
13 officer or employee before his death shall be paid in the order  
14 of precedence prescribed in section 12 (e).”





83<sup>d</sup> CONGRESS  
2<sup>d</sup> Session

**H. R. 9586**

[Report No. 2648]

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**A BILL**

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To amend the Civil Service Retirement Act.

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By Mr. REES of Kansas

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16. COMMODITY CREDIT CORPORATION. The Agriculture and Forestry Committee reported without amendment H. R. 9756, to increase the borrowing power of CCC from \$8.5 billion to \$10 billion (S. Rept. 2470) (p. 13301).
17. EDUCATION. Passed with amendment H. R. 1797, to provide for conveyance by the Interior Department of a tract of land to the Okla. A&M College (p. 13374).
18. PERSONNEL; RETIREMENT. Passed without amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (p. 13377).
19. TRAVEL. Passed with amendment S. 3200, to amend section 3 of the Travel Expense Act of 1949, as amended, so as to increase the maximum per diem allowance for subsistence and travel by Federal employees from \$9 to \$12 (p. 13401).
20. SOIL CONSERVATION. Passed as reported S. 3774, to extend the benefits of the Watershed Protection and Flood Prevention Act to Alaska, Hawaii, Puerto Rico, and the Virgin Islands (p. 13374).
21. VIRGIN ISLANDS. Passed as reported S. 3800, to restore the USDA animal-poultry inspection authority, regarding imports into the Virgin Islands, on a modified basis (p. 13357).
22. PERSONNEL. Passed as reported S. 19, to suspend the running of the statute of limitations applicable to offenses involving performance of official duties by Government officers and employees during periods of Government service (p. 13371).
23. EDUCATION. Passed as reported S. 3629 to amend Public Law 874, 81st Cong., so as to postpone the effective date of the 3 percent "absorption" requirement of school districts in areas affected by Federal activities for 1 additional year (through June 30, 1955) (pp. 13371-2).  
Passed as reported S. 3628, to amend Public Law 815, 81st Cong., so as to extend for 3 additional years the program of Federal assistance for school construction under title III thereof (p. 13371).
24. FLAMMABLE FABRICS. Concurred in the House amendments to S. 3379, to exempt from the Flammable Fabrics Act certain fabrics which are not highly flammable (p. 13472). This bill will now be sent to the President.
25. STOCKPILING. Passed as reported S. 3585, to amend the Strategic and Critical Materials Stockpiling Act so as to provide "that any gem diamonds constituting a part of the stockpile may be exchanged for industrial diamonds of a like value" (pp. 13370-1). The committee report explains that a firm has offered to make such an exchange and has agreed to purchase wheat of the same value from the proceeds of its sale of the gem stones acquired by the exchange.
26. DEBT LIMIT. Discussed and passed over H. R. 6672, to increase the public debt limit (p. 13376).
27. PATENTS. Discussed and passed over, upon the objection of Sen. Hendrickson, H. R. 3534, to authorize the extension of patents covering inventions whose practice was prevented or curtailed during service by the patent owner in the Armed Services or by production controls (pp. 13379-80).



5. NOMINATION. Confirmed the nomination of Herbert Davis Vogel to be a member of the Board of Directors of TVA (p. 13300). Sen. Morse spoke in opposition to this nomination (pp. 13412-3).
6. MEXICAN FENCE. Discussed, and placed at foot of the calendar, S. 111, authorizing appropriations for construction, operation, and maintenance of the Mexican western land boundary fence project (p. 13376).
7. FORESTRY. Discussed and passed over S. 620 and H. R. 1254, which authorize the issuance by Federal agencies of permits, leases, or easements to States or local governments for periods not to exceed 30 years, on lands within their respective jurisdictions (pp. 13403-4).
8. AGRICULTURAL INVESTIGATIONS. Agreed to S. Res. 304, to provide \$12,000 additional for the Agriculture and Forestry Committee for an investigation of various matters related to agricultural programs (S. Rept. 2450) (p. 13301).
9. EDUCATION. Passed without amendment H. R. 9888, to extend the period during which the education and training benefits of the Korean-conflict GI bill of rights may be available (p. 13356). This bill will now be sent to the President.
10. FORESTRY. Passed without amendment H. R. 6393, consenting to an interstate forest-fire protection compact among south central States (p. 13357). This bill will now be sent to the President.
11. RECLAMATION. Passed without amendment H. R. 8520, to include the Ainsworth, Lavaca Flats, Mirage Flats Extension, and O'Neill irrigation developments in the Missouri Basin project, and H. R. 8384, to authorize the Talent division of the Rogue River Basin project, Oreg. (pp. 13373, 13394, 13402). These bills will now be sent to the President.
12. WATER RESOURCES. Passed without amendment H. R. 2843, authorizing the Interior Department to investigate and report to Congress on the water resources of Hawaii (p. 13396). This bill will now be sent to the President.
13. FORESTRY. Passed as reported S. 3773, to authorize reciprocal fire-protection agreements between Government departments and agencies and public or private organizations engaged in fire-fighting activities (p. 13373).
14. PERSONNEL. Passed with amendments H. R. 7774, to increase the pay of classified, postal, and other Federal employees; and then agreed to a request by Sen. Knowland that the vote be reconsidered (pp. 13334-7).
15. MEXICAN FARM LABOR. The Judiciary Committee reported with amendments S. 3660, to make the employment, and related practices, of any alien known by an employer to have entered the U. S. illegally within 3 years thereof unlawful (S. Rept. 2451), and S. 3661, to provide for the seizure and forfeiture of any vessel or vehicle used in the transportation of any alien known by the owner thereof to have entered the U. S. illegally within 3 years (S. Rept. 2452) (p. 13300).



of the act of April 19, 1950 (64 Stat. 44, 46), or", so as to make the bill read:

*Be it enacted, etc.,* That any restricted Indian lands within the State of Arizona (other than lands of the Navaho or Hopi Indians) whether tribally or individually owned, may be leased by the Indian owners, with the approval of the Secretary of the Interior, for public, religious, educational, recreational, residential, or business purposes, including the development or utilization of natural resources in connection with operations under such leases, and for those farming purposes (not to include grazing) which require the making of a substantial investment in the improvement of the land for the production of specialized crops as determined by said Secretary. All leases so granted shall be for a term of not to exceed 25 years, but leases for public, religious, educational, recreational, residential, or business purposes, with the consent of both parties, may include provisions authorizing their renewal for one additional term of not to exceed 25 years, and all leases and renewals shall be made under such terms and regulations as may be prescribed by the Secretary of the Interior.

Sec. 2. Restricted lands of deceased Indians may be leased under this act, for the benefit of their heirs or devisees, in the circumstances and by the persons prescribed in the act of July 8, 1940 (54 Stat. 745; 25 U. S. C., 1946 edition, sec. 380).

Sec. 3. No rent or other consideration for the use of land leased under this act shall be paid or collected more than 1 year in advance, unless so provided in the lease.

Sec. 4. Nothing contained in this act shall be construed to repeal any authority to lease restricted Indian lands conferred by or pursuant to section 5 of the act of April 19, 1950 (64 Stat. 44, 46), or any other provision of law.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended, so as to read: "A bill to authorize the leasing of restricted Indian lands in the State of Arizona, other than those of the Navaho or Hopi Indians, for public, religious, educational, recreational, residential, business, and other purposes requiring the grant of long-term leases."

#### BLACK CANYON IRRIGATION DISTRICT, IDAHO

The bill (H. R. 9630) to authorize the Secretary of the Interior to execute an amendatory contract with the Black Canyon Irrigation District, Idaho, and for other purposes, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. MORSE. Mr. President, may we have an explanation of the bill?

Mr. DWORSHAK. Mr. President, the bill would authorize the Secretary of the Interior to execute an amendatory repayment contract which has been negotiated with the Black Canyon Irrigation District, Payette Division, Boise project, Idaho. The contract has been negotiated as required by the provisions of section 7 of the Reclamation Project Act of 1939 in order to provide a reasonable and equitable solution to the repayment problems involved. The bill also would approve the principles set forth

in the Boise project revised allocation and repayment report of September 21, 1953, which is an integral part of the amendatory repayment arrangement.

This proposed legislation was requested by the Department of the Interior primarily to implement the new agreement reached and signed on September 21, 1953.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to a third reading, read the third time, and passed.

#### AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The bill (S. 3627) to amend the Civil Service Retirement Act, as amended, was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. HENDRICKSON. Mr. President, may we have an explanation of the bill?

Mr. CARLSON. Mr. President, the purpose of the bill is to amend the Civil Service Retirement Act, so as to plug certain loopholes which have been discovered during the past few years. Congress has approved a study of the entire Retirement Act. We have received reports and recommendations from the Civil Service Commission looking toward the plugging of loopholes.

I will mention one of the cases cited in the report which we received from the Civil Service Commission. An employee worked for several years for the Tennessee Valley Authority. He resigned his position in that agency and collected over \$9,000 in retirement pay which had accumulated there. He later secured another job in a Government agency, paid \$63, and collected an annuity benefit in a sum over \$2,000.

It is situations like that which we are trying to plug up at the present time.

Mr. GORE. Mr. President, will the Senator yield?

Mr. CARLSON. I am happy to yield.

Mr. GORE. No additional benefits are conferred upon annuitants by the bill?

Mr. CARLSON. There are none and the purpose of this bill is to make these people—for example, the man I just mentioned—keep those amounts accumulated in the fund, no matter when they may go to other Government jobs, and get their benefits on that basis.

Mr. GORE. The example the Senator cited was only an isolated instance, but similar one can happen.

Mr. CARLSON. That is correct. I mention this case because it was cited to us by the Commission.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any provision of law to the contrary, title to annuity payable from the civil service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the 2-year period immediately preceding such separation, completed at least 1 year of creditable civilian service during which he was subject to this act. Any annuity rights based on a separation which (a) terminated service meeting this requirement, or (b) occurred prior to this amendment, shall be restored upon separation from subsequent service which fails to meet said requirement.

"No credit shall be allowed for any service subsequent to the date of the separation on which title to annuity is based. Any amounts deducted from salary for retirement purposes during such service shall upon separation be refunded to such officer or employee without interest, and shall be subject to redeposit as provided in section 12 (b) (2) of this act. Any such amount not so refunded to the officer or employee before his death shall be paid in the order of precedence prescribed in section 12 (e)."

#### BILL PASSED OVER

The bill (S. 2631) to prohibit the payment of Government retirement benefits to persons convicted of certain offenses was announced as next in order.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

Mr. SMATHERS. By request, I ask that the bill go over.

The PRESIDING OFFICER. The bill will be passed over.

#### GRANTING STATUS OF PERMANENT RESIDENCE TO CERTAIN ALIENS

The concurrent resolution (H. Con. Res. 254) favoring the granting of the status of permanent residence to certain aliens was considered and agreed to.

For text of above concurrent resolution, see CONGRESSIONAL RECORD of July 21, 1954, pages 10756-10758.

#### ALICK BHARK

The Senate proceeded to consider the bill (S. 346) for the relief of Alick Bhark, which had been reported from the Committee on the Judiciary with an amendment, in line 7, after the word "visa" to strike out "fees and head taxes" and insert "fee", so as to make the bill read:

*Be it enacted, etc.,* That, for the purposes of the immigration and naturalization laws, Alick Bhark shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### RELIEF OF CERTAIN PALESTINIAN ARAB REFUGEES

The Senate proceeded to consider the bill (S. 1336) for the relief of certain



Palestinian Arab refugees, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Euline Saliba Sihwel (Eveline Saliba Suhweil) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Euline Saliba Sihwel (Eveline Saliba Suhweil)."

#### PALESTINIAN ARAB REFUGEES.

The Senate proceeded to consider the bill (S. 1341) for the relief of certain Palestinian Arab refugees, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Salamy Khouri shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

The title was amended so as to read: "A bill for the relief of Salamy Khouri."

#### MILAN K. JOVANOVIĆ

The Senate proceeded to consider the bill (S. 1625) for the relief of Milan K. Jovanovic, which had been reported from the Committee on the Judiciary with an amendment, on page 1, line 7, after the word "fee", to strike out "Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available", so as to make the bill read:

*Be it enacted, etc.,* That, for the purposes of the Immigration and Nationality Act, Milan K. Jovanovic shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### ANDREAS GEORGES VLASTOS

The bill (S. 1893) for the relief of Andreas Georges Vlastos (Andreas Georges Vlasto) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, for the purposes of the Immigration and Nationality Act, Andreas Georges Vlastos (Andreas Georges Vlasto) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

#### CLAIRE HEISZLER

The Senate proceeded to consider the bill (S. 2109) for the relief of Claire Heiszler, which had been reported from the Committee on the Judiciary with an amendment, to strike out all after the enacting clause and insert:

That, for the purposes of sections 101 (a) (27) (A) and 205 of the Immigration and Nationality Act, Claire Heiszler shall be held and considered to be the natural-born alien child of Mr. and Mrs. Alex Krauss, citizens of the United States.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### GIUSEPPINA LATINA MOZZICATO AND GIOVANNI MOZZICATO

The bill (S. 2532) for the relief of Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, for the purposes of the Immigration and Nationality Act, Giuseppina Latina Mozzicato and Giovanni Mozzicato (John Mozzicato) shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct the required numbers from the appropriate quota or quotas for the first year that such quota or quotas are available.

#### ANDREE M. DOYLE

The Senate proceeded to consider the bill (S. 2669) for the relief of Andree M. Doyle, which had been reported from the Committee on the Judiciary with an amendment in line 7, after the word "act", to insert a colon and "Provided, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act", so as to make the bill read:

*Be it enacted, etc.,* That, notwithstanding the provisions of section 212 (a) (9) of the Immigration and Nationality Act, Andree M. Doyle may be admitted to the United States

for permanent residence if she is found to be otherwise admissible under the provisions of such act: *Provided*, That this exemption shall apply only to a ground for exclusion of which the Department of State or the Department of Justice has knowledge prior to the enactment of this act.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### MARIA BERTAGNOLLI PANCHERI

The Senate proceeded to consider the bill (S. 2682) for the relief of Maria Bertagnolli Pancheri, which had been reported from the Committee on the Judiciary with an amendment to strike out all after the enacting clause and insert:

That, for the purposes of the Immigration and Nationality Act, Maria Bertagnolli Pancheri shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

The amendment was agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

#### HENRY DUNCAN

The bill (S. 2973) for the relief of Henry Duncan was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, for the purposes of the Immigration and Nationality Act, Henry Duncan shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee.

#### MYUNG SIK HONG

The bill (S. 3163) for the relief of Myung Sik Hong was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

*Be it enacted, etc.,* That, for the purposes of the Immigration and Nationality Act, Myung Sik Hong shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this act, upon payment of the required visa fee. Upon the granting of permanent residence to such alien as provided for in this act, the Secretary of State shall instruct the proper quota-control officer to deduct one number from the appropriate quota for the first year that such quota is available.

#### REV. LORENZO RODRIGUEZ BLANCO AND REV. ALEJANDRO NEGREDO LAZARO

The bill (S. 3327) for the relief of Rev. Lorenzo Rodriguez Blanco and Rev. Alejandro Negredo Lazaro was considered, ordered to be engrossed for a third







authorizing the transfer of personnel and appropriations to defense activities of various departments and agencies pursuant to law, regarding rental of Government-owned living quarters. Contains language, similar to that in previous years, prohibiting the use of funds of corporations for purchase of construction of office buildings, and authorizing the use of appropriated funds to purchase foreign credits owed to or owned by the U. S.

3. PERSONNEL. Received the conference report on H. R. 2263, the so-called fringe-benefits bill (H. Rept. 2665)(pp. 13893-901). The text of the bill, as agreed to by the conferees, is printed in the Record.
4. ATOMIC ENERGY. Redeived the revised conference report on H. R. 9757, to make various changes in the Atomic Energy Act (H. Rept. 2666)(pp. 13873-88). The revised bill is printed in the Record.
5. VEHICLES; FURNITURE. Concurred in the Senate amendments to H. R. 8753, to authorize GSA to establish and operate motor vehicle pools and systems and to provide office furniture and furnishings when agencies are moved to new locations, to direct GSA to report the unauthorized use of Government motor vehicles, and to authorize CSC to regulate operators of Government-owned motor vehicles (p. 13824). This bill will now be sent to the President.
6. DEBT LIMIT. By a division vote of 193 to 31, concurred in the Senate amendment to H. R. 6672, increasing the debt limit of the Government. The amendment provides for a temporary increase of \$6 billion until June 30, 1955. (pp. 13824-8). This bill will now be sent to the President.
7. CUSTOMS SIMPLIFICATION. Concurred in the Senate amendments to H. R. 10009, to provide for the review of customs tariff schedules, to improve procedures for the tariff classification of unenumerated articles, and to repeal or amend obsolete provisions of the customs laws (pp. 13822-4). This bill will now be sent to the President.
8. FOREIGN AID; SURPLUS COMMODITIES. House conferees were appointed on H. R. 9924, to provide for family housing for military personnel and their dependents, to authorize the Secretary of Defense to procure such housing for military personnel in foreign countries through the use of foreign currencies obtained through sale of surplus agricultural commodities, and to make Defense Department appropriations available to reimburse CCC in an amount equivalent to the dollar value of the currencies used (p. 13829). Senate conferees have not yet been appointed.
9. SOCIAL SECURITY; FARM LABOR. House conferees were appointed on H. R. 9366, the social security bill, which includes a provision extending social security retirement coverage to approximately 2.6 million additional farm workers (p. 13820). Senate conferees have been appointed.
10. FOREIGN-AID APPROPRIATION BILL, 1955. House conferees were appointed on this bill, H. R. 10051 (p. 13821). Senate conferees have been appointed.
11. EDUCATION. Passed without amendment S. 3629, to amend Public Law 874, 81st Cong., so as to postpone the effective date of the 3 percent "absorption" requirement of school districts in areas affected by Federal activities for 1 additional year (through June 30, 1955). This bill will now be sent to the President.



Passed with amendment S. 3268, to amend Public Law 815, 81st Cong., so as to extend for 3 additional years the program of Federal assistance for school construction under title III thereof. (p. 13857).

12. PERSONNEL; RETIREMENT. Passed with amendment S. 3627, to amend the Civil Service Retirement Act so as to tighten up several "loopholes" (pp. 13828-9).
13. FARM LABOR. The Judiciary Committee reported without amendment S. 2862, to provide relief for the sheep-raising industry by making special nonquota immigration visas available to certain skilled alien sheepherders (H. Rept. 2662) (p. 13902).
14. INVESTIGATIONS; PERSONNEL. Passed with amendments S. 2308, to give the Attorney General concurrent jurisdiction over investigation of violations of title 18 of the U. S. Code (regarding crimes) by Government officers and employees, except for members of the armed forces and the Post Office Department (pp. 13859-60).
15. CONVENING OF CONGRESS. Passed without amendment H. J. Res. 585, to provide that the 84th Congress shall convene at noon on Wed., Jan. 5, 1955 (p. 13858).

#### SENATE

16. FARM LOANS. Concurred in the House amendment to S. 3245, to authorize the Secretary to use \$15,000,000 of the Disaster Loan Revolving Fund for emergency loans to farmers and stockmen until June 30, 1955 (p. 13942). This bill will now be sent to the President.
17. RECLAMATION. Discussed and passed over, upon the objection of Sen. Smathers, H. R. 5301, to authorize the Interior Department to make loans to privately owned reclamation projects (pp. 13926-7).  
Discussed and passed over, upon the objection of Sen. Smathers, H. R. 9981, to provide for construction of distribution systems on authorized Federal reclamation projects by irrigation districts and other public agencies (p. 13928).  
Sen. Watkins stated "there is an extreme need for facts to clarify much of the confusion which has resulted from misinformation spread about the upper Colo. River project" and inserted George D. Clyde's (commissioner of interstate streams for Utah) article which discussed the issues (pp. 13909-10).
18. ATOMIC ENERGY. Agreed, 59 to 17, to the revised conference report on H. R. 9757, the atomic energy bill (pp. 13982-5).
19. PERSONNEL. Passed without amendment H. R. 5718, to limit to 6 years the period for collection by the Government of compensation received by officers and employees in violation of the dual compensation laws (p. 13928). This bill will now be sent to the President.
20. TAXATION. Sen. Ferguson inserted the President's statement made upon the signing of H. R. 8300, the general tax revision bill (pp. 13937-42).
21. SOIL CONSERVATION. Sen. Watkins inserted a newspaper editorial and stated that the "role that can be played by the Federal Government in cooperating in watershed improvement program under the Hope-Aiken measure is adequately shown" in this editorial (pp. 13910-1).



idle and unused in the commercial banks has been used. There is at least \$4½ billion in the same banks today. I am not so sure that it would be necessary to raise the debt limit now if that money were to be used. If it is contemplated by the Secretary of the Treasury to keep \$4½ or \$5 billion in the banks then it is necessary to raise this debt limit, but I want to say that it will be more expensive to the taxpayer by the interest he will have to pay on obligations that are caused by increasing this national debt.

The truth is the debt should be increased if necessary. I do not object to that. It would be dishonest, at least intellectually dishonest, for a Member of Congress to vote for appropriations that when paid will increase the amount of money that will be allowed under the national-debt limit, and then not vote to raise the national-debt limit. I think we are obligated to vote to increase the debt limit when it is necessary and I shall be very glad to do that; but I do not intend to vote to increase it when it is not necessary. I want to be shown that it is necessary. Let us find out. Is it contemplated here that the Secretary of the Treasury wants to keep a balance of \$4½ or \$5 billion in the commercial banks, upon which he does not check at all, which is not used at all? If it is necessary to raise the debt limit to do that I am opposed to such action. For that reason I will vote against this bill.

I would like to know what the facts are. We do not know what the facts are. I hope this bill goes to conference or goes to the committee and consideration is given to that part of it.

Mr. REED of New York. Mr. Speaker, I yield myself such time as I may require.

Mr. Speaker, I have listened with a great deal of interest to the comments that have been made here with reference to this matter. I want to say what you all know—that we represent the greatest Government in the world. We are carrying on the greatest fiscal affairs of any country in the world. We know the present heavy burden that is being carried in this country because of past wars and the present unsettled world conditions.

What we have to do is to take the word of the people who come to us and testify. That is what we did last year. It was not for an individual such as myself or, so far as I know, any individual on this floor, to take the responsibility of endangering the credit of this country by not agreeing with this temporary increase in the debt limit on the ground that the full, permanent increase requested last year has not proven completely necessary. That request last year was based upon the facts as honest men saw them at that time. We took the right action last year and I think we should take the right action today.

Mr. KEATING. Mr. Speaker, will the gentleman yield?

Mr. REED of New York. I yield to the gentleman from New York.

Mr. KEATING. Mr. Speaker, I do not think the RECORD should remain silent at this point on the great contribution in this field which has been rendered by the

gentleman from New York [Mr. REED]. We are all very proud of the work he has done.

Mr. REED of New York. I thank the gentleman.

Mr. COOPER. Mr. Speaker, I yield 2 minutes to the gentleman from New York [Mr. MULTER].

Mr. MULTER. Mr. Speaker, we all respect the distinguished chairman of the Ways and Means Committee and each and every member thereof. No disrespect is intended if we take a position contrary to that which they recommend when they make a recommendation under circumstances that prevail here this morning.

On July 31, 1953 we had this same bill brought before us. At that time the only thing the committee had done was to conduct an executive session of the committee. There was an attempt to create an aura of secrecy about what transpired there, only to find out that the very information given to the committee in executive session was released to the newspapers that same day by the Secretary of the Treasury.

At that time I asked four distinct questions. Time does not permit me to repeat them now but they are in the RECORD. I concluded my remarks at that time by saying, "Without a direct and complete answer to each of these questions no Member of this House should be requested to vote for this bill."

None of those questions have been answered and no hearings have been held with a view to acquiring the answers. The bill now comes back here, again in the closing hours of the session, and you are told: Please pass the bill, we need it.

That is not the way for responsible legislators to act. If there is any real need for this bill, let us have a hearing. Let the Secretary of the Treasury in public hearing, as has been done in every previous instance when we raised the public debt limit, tell the committee and the Membership of the House precisely why we need the increase. Let us have all the pertinent and necessary questions answered. Then let us act deliberately, knowing what we are doing. You are now being asked to follow blindly what the Secretary of the Treasury has said, and even that is not told to you in any written communication or in any House committee report. You are simply told: The administration says it needs this bill, so please pass it.

That is not the way for a deliberative body to act.

Thirteen months ago this administration told this Congress that if we did not increase the debt limit by \$15 billion a financial panic could be expected before the calendar year was out. The calendar year expired without such a panic. In fact the entire fiscal year has expired and we have started upon a new fiscal year without any panic.

I can understand how embarrassing it might be for the Secretary of the Treasury to come before this Congress and explain why his dire prediction did not come true when the Congress failed to follow his advice.

But after such a poor prognostication this Congress has no right to act upon this bill without a full and complete explanation. Without a full and factual disclosure of the fiscal affairs of our Government with ample time to digest and deliberate upon them, we have no right to enact this bill.

Those of our colleagues who were scared \$15 billion worth 13 months ago, only to find their fears were groundless, ought not to be scared \$6 billion worth now.

The bait that this is only temporary is a complete illusion. If the national debt is increased to \$281 billion no amount of words can make that debt temporary. Only payment can wipe it out or reduce it.

To the four unanswered questions I asked last year I add this question: Is the Secretary of the Treasury afraid to appear before a congressional committee because he cannot tell this Congress that an increase in the debt limit can be reduced? Before I vote for this bill. I want my questions answered.

(Mr. MULTER asked and was given permission to devise and extend his remarks).

Mr. COOPER. Mr. Speaker, I ask unanimous consent that all Members desiring to do so may extend their remarks in the RECORD prior to the vote on the pending motion.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. COOPER. Mr. Speaker, I yield the remainder of the time on this side to the gentleman from Arkansas [Mr. MILLS].

Mr. MILLS. Mr. Speaker, you will recall last year when we were called upon to consider the question of permanently raising the debt ceiling that I voted against the bill as it passed the House at that time. You perhaps will also recall that just prior to the vote on final passage I offered a motion to recommit the bill with instructions to provide for a \$15 billion temporary increase in the debt ceiling. At that time I was impressed, as was my colleague, the gentleman from Tennessee [Mr. COOPER], and others, with the necessity of retaining the fiscal solvency of the Federal Government and avoiding the possibility of a panic caused by failure of the Government to pay its obligations as they were presented. I was convinced at that time, however, that the present administration was sincere in what it had said it hoped to do, and that was to bring about a reduction in the public debt within the 2-year period covered in my motion to recommit. This is an end which we all have been seeking. On the basis of this I thought enough of the idea of a temporary increase that I discussed it with some of the leadership on the other side. The idea was not acceptable to the Secretary of the Treasury. It was not acceptable to some Members of the other body with whom I discussed it. They said that the idea that any temporary increase in the public debt could be made was really a figment of the imagination—that at any



time we raised the ceiling and permitted the Federal Government to issue obligations under a temporary increase, that we might as well recognize that that increase would become a permanent one.

Now, today I am going to vote for the Senate amendment. I am not going to vote for it, however, Mr. Speaker, with the thought in mind that the public debt will not, on June 30, 1955, be in excess of \$275 billion. I am going to vote for it even though I know that the debt on June 30, 1955, or I can be almost certain that the debt on that date will be in excess of \$275 billion, for the reason that prompted the gentleman from Tennessee [Mr. COOPER], the gentleman from Texas [Mr. RAYBURN], and others to vote for the \$15 billion increase last year—the fiscal solvency of our Government.

Now, why do I say that? If we are spending more money in this fiscal year than we are taking in in revenue, even the fact that we will get much more taxes in March and June from corporations than we get in the last half of the year will not save us from the necessity of a permanent debt increase. We may be able to get by without a permanent debt increase for this present fiscal year, but when we begin to operate in the coming fiscal year we might as well recognize now that the debt will have to be in excess of \$275 billion on a permanent basis unless we do better than we have done. And I give heed to my friends on the Committee on Appropriations for the effort they have made in this fiscal year.

I am going to vote for the Senate amendment even though I realize full well that we may be creating a situation for a permanent debt increase later; that this may not be just a temporary debt increase. I am now convinced that those with whom I discussed the matter a year ago were right and that there is really no such thing as a temporary increase in the debt ceiling. I am going to do it because I am fearful and I think the Members of the House are likewise fearful of the consequences of not raising the ceiling with the debt at its present level and with the balances on hand at the level they now are. I am not urging the Members to vote for the temporary increase, but I urge you to seriously consider what the consequences might be if we do not increase the debt ceiling, and remind you of the conditions and possibilities that the Secretary of the Treasury described over a year ago which might arise.

#### THE GIMMICK ADMINISTRATION

Mr. LESINSKI. Mr. Speaker, the present administration has been far from successful in carrying out the multitude of campaign promises which helped elect it.

The "dynamic progressive" foreign policy of the Republicans has failed to stop the Communists, while apparently succeeding in creating disunity and confusion among our allies. Food prices paid by the housewife have risen steadily and remain near an all-time high despite a sharp decline in prices received by the farmer. The Republicans have given away billions in national assets to special interests, but failed to balance the

budget and increased the national debt instead of reducing it.

In the fact of such a record of broken promises, it is not surprising that this administration has become the all-time champion in the art of using public relations gimmicks and doctored figures to confuse the people and cover up their own failures.

Postmaster General Summerfield is one of the outstanding practitioners of the new profession of governmental doubletalk. A good example is his boast of saving the taxpayer a "million dollars every working day" in fiscal 1954 through "economy and modern business techniques." He bases this claim on a supposed reduction of the postal deficit to \$437 million instead of the \$746 million estimated deficit in former Postmaster General Donaldson's preliminary figures, a difference of \$309 million. Mr. Summerfield conveniently neglects to mention, however, that \$78 million was saved by President Truman's decision not to restore two deliveries a day. Since Mr. Summerfield also benefited by \$240 million in increased rates and transfer of airmail subsidies, he should have been able to reduce the deficit by \$318 million instead of only \$309 million. If Mr. Summerfield's estimates had been correct, his "savings" would have cost the taxpayers only \$9 million, but the Treasury Department now reports that he underestimated his deficit by \$25 million. So it appears that Mr. Summerfield's much publicized "economy and modern business technique" actually cost the taxpayer an extra \$34 million last year.

Not to be outdone by the Postmaster General, some of the other "idea" men in the Eisenhower administration have figured out an equally clever way to reduce the national debt by \$12 billion, by a simple bookkeeping gimmick. Actually, the Federal deficit is \$18 billion more than when Harry S. Truman was President.

In spite of all the bookkeeping juggling we now have to increase the national debt limit an additional \$6 billion. This certainly is an indication that the budget has not been balanced and that the outgo from the Federal Treasury is so much greater than the income.

Mr. GROSS. Mr. Speaker, let the RECORD show that I am opposed to this proposed increase in the debt limit. And let the RECORD further show that I am one of those who tried to obtain a roll-call vote on this important issue.

Mr. Speaker, it is childish for anyone to argue in behalf of this proposal on the grounds that it is only temporary. Once the limitation is raised, the Federal debt will go higher, stay higher, and the next Congress will be asked to confirm it.

Soon to come before the House will be the conference report on the foreign-spending bill which will make available some \$13 billion in further handouts to foreigners. I opposed the authorization bill for this purpose and I opposed the appropriations knowing full well that here was one of the most logical places to cut billions of dollars and avert a further increase in the debt.

I am disappointed beyond measure that this administration does not make a serious attempt to bring spending into balance with income and stop these deficits and increases in the Federal debt. I regret that this administration takes the easy way out by simply lifting the lid and authorizing the borrowing of more money. It is the road to disaster.

The SPEAKER. The question is, Shall the rules be suspended and the resolution be agreed to?

The question was taken; and the Speaker announced that two-thirds had voted in favor of the resolution.

Mr. ROGERS of Texas. Mr. Speaker, on that question I demand the yeas and nays.

The yeas and nays were refused.

Mr. ROGERS of Texas. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. The Chair will count. [After counting.] Two hundred and fifty-seven Members are present, a quorum.

The question is, Shall the rules be suspended and the resolution be agreed to?

The question was taken; and on a division (demanded by Mr. Gross) there were—ayes 193, noes 31.

So (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

In accordance with the terms of the resolution, the bill (H. R. 6672) was taken from the Speaker's table, and the following Senate amendment was concurred in:

Strike out all after the enacting clause and insert "That during the period beginning on the date of enactment of this act and ending on June 30, 1955, the public debt limit set forth in the first sentence of section 21 of the Second Liberty Bond Act, as amended, shall be temporarily increased by \$6 billion."

A motion to reconsider was laid on the table.

#### CIVIL SERVICE RETIREMENT

Mr. REES of Kansas. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3627) to amend the Civil Service Retirement Act, as amended.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Kansas?

There was no objection.

There being no objection, the Clerk read the bill, as follows:

*Be it enacted, etc.,* That section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

"Notwithstanding any provision of law to the contrary, title to annuity payable from the civil-service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the 2-year period immediately preceding such separation, completed at least 1 year of creditable civilian service during which he was subject to this act. Any annu-



lard Street and the south right-of-way line of Hayes Avenue; thence south no degrees fourteen and ninety one-hundredths minutes west along the east right-of-way line of Pollard Street a distance of nine hundred two and six-tenths feet; thence south eighty-nine degrees forty-five and ten one-hundredths minutes east a distance of one thousand forty-two and thirty-nine one-hundredths feet to the west right-of-way line of the Southern Pacific Railroad (formerly the E. P. & S. W. R. R.); thence north thirteen degrees forty-five and two one-hundredths minutes east a distance of eight hundred forty-five and seventy-three one-hundredths feet along the Southern Pacific Railroad right-of-way line, to a point; thence north one degree fifteen and sixty-two one-hundredths minutes west a distance of one hundred twelve and five one-hundredths feet, to a point in the south right-of-way line of Hayes Avenue; thence south eighty-eight degrees forty-six minutes west a distance of one thousand two hundred thirty-seven and three-tenths feet along the south right-of-way line of Hayes Avenue, to the point of beginning, containing in all twenty-four and twenty-five one-hundredths acres of land, more or less.

SEC. 2. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 3. There shall be further reserved to the United States in the conveyance of the above-described lands, rights of ingress and egress over roads in the above-described lands serving buildings or other works operated by the United States or its successors or assigns in connection with Fort Bliss, rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which now exist, or which may become necessary to the operation of the said Fort Bliss.

SEC. 4. The conveyance of the property authorized by this act shall be upon condition that such property shall be used primarily for training of the National Guard and for other military purposes, and that if the State of Texas shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States, and in addition, all improvements made by the State of Texas during its occupancy shall vest in the United States without payment of compensation therefor.

SEC. 5. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Texas, for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency plus 6 months such property shall revert to the State of Texas, together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 6. In executing the deed of conveyance authorized by this act, the Secretary of the Army shall include specific provisions covering the reservations and conditions contained in sections 2, 3, 4, and 5, of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

# DIRECTING THE SECRETARY OF THE AIR FORCE TO CONVEY CERTAIN PROPERTY IN PROXIMITY TO SAN ANTONIO, TEX.

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3750) to direct the Secretary of the Air Force or his designee to convey certain property located in proximity to San Antonio, Bexar County, Tex., to the State of Texas.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Air Force or his designee is authorized and directed to convey by quitclaim deed, without consideration, to the State of Texas all right, title, and interest of the United States, except as retained in this act, in and to the following described land in proximity to San Antonio, Bexar County, Tex., together with all buildings, improvements thereon, and all appurtenances and utilities belonging or appertaining thereto, such land including approximately two hundred eighteen and fifty-six one-hundredths acres and formerly designated as Martindale Auxiliary Field, as shown on maps on file with the Office of the Chief of Engineers:

Beginning at a point on the south right-of-way line of United States Highway No. 90, at the northwest corner of the Emil F. Gambier tract, said corner being also the northeast corner of the Virginia M. Johnson tract:

Station 1-2, bearing north sixty-nine degrees forty-five minutes twenty seconds east, a distance of forty-two and six-tenths feet;

Station 2-3, bearing south no degrees twelve minutes forty seconds east, a distance of eight hundred one and seven-tenths feet;

Station 3-4, bearing north eighty-nine degrees thirty-six minutes twenty seconds east, a distance of two thousand two hundred thirty-three and one one-hundredth feet;

Station 4-5, bearing north three degrees twenty-three minutes forty seconds west, a distance of five hundred forty and five-tenths feet;

Station 5-6, bearing north eighty-six degrees thirty-six minutes twenty seconds east, a distance of twenty feet;

Station 6-7, bearing south three degrees twenty-three minutes forty seconds east, a distance of five hundred forty-one and five-tenths feet;

Station 7-8, bearing north eighty-nine degrees thirty-six minutes twenty seconds east, a distance of two hundred seventy-eight and fifty-four one-hundredths feet;

Station 8-9, bearing south no degrees twenty-two minutes no seconds east, a distance of two thousand eight hundred fourteen and twenty-three one-hundredths feet;

Station 9-10, bearing south eighty-nine degrees thirty-eight minutes thirty seconds west, a distance of four hundred feet;

Station 10-11, bearing south no degrees twenty-one minutes forty-five seconds east, a distance of three hundred eighty and twenty-three one-hundredths feet;

Station 11-12, bearing north eighty-nine degrees thirty-eight minutes fifteen seconds east, a distance of four hundred and eighty-five feet;

Station 12-13, bearing south no degrees twenty-one minutes forty-five seconds east, a distance of two hundred and twenty-five feet;

Station 13-14, bearing south eighty-nine degrees thirty-eight minutes fifteen seconds

west, a distance of three hundred eighteen and ninety-six one-hundredths feet;

Station 14-15, bearing south forty-six degrees thirty-eight minutes forty-five seconds west, a distance of one hundred one and sixty-seven one-hundredths feet;

Station 15-16, bearing south eighty-nine degrees thirty-eight minutes forty-five seconds west, a distance of six hundred thirty-eight and two-tenths feet;

Station 16-17, bearing south forty-four degrees forty-three minutes twenty seconds west, a distance of twenty-three and fifteen one-hundredths feet;

Station 17-18, bearing north no degrees six minutes twenty seconds west, a distance of forty-six and thirty-five one-hundredths feet;

Station 18-19, bearing south eighty-nine degrees thirty-eight minutes forty-five seconds west, a distance of eight hundred thirty-seven and seventy-seven one-hundredths feet;

Station 19-20, bearing north no degrees twenty-one minutes thirty seconds west, a distance of six hundred and forty-five feet;

Station 20-21, bearing south eighty-nine degrees thirty-nine minutes no seconds west, a distance of one thousand one hundred ninety-nine and ninety-eight one-hundredths feet;

Station 21-22, bearing north no degrees twenty-one minutes thirty seconds west, a distance of two thousand eight hundred and twelve feet;

Station 22-23, bearing north eighty-nine degrees twenty-six minutes twenty seconds east, a distance of five hundred thirty-one and two-tenths feet;

Station 23-1, bearing north no degrees twelve minutes forty seconds west, a distance of seven hundred eighty-seven and two-tenths feet.

SEC. 2. All mineral rights, including gas and oil, in the lands authorized to be conveyed by this act shall be reserved to the United States.

SEC. 3. There shall be further reserved to the United States in the conveyance of the above-described lands, rights of ingress and egress over roads in the above-described lands serving buildings or other works operated by the United States or its successors or assigns in connection with Martindale Auxiliary Field, rights-of-way for water lines, sewer lines, telephone and telegraph lines, power lines, and such other utilities which now exist, or which may become necessary to the operation of the said Martindale Auxiliary Field.

SEC. 4. The conveyance of the property authorized by this act shall be upon condition that such property shall be used primarily for training of the National Guard and the Air National Guard and for other military purposes, and that if the State of Texas shall cease to use the property so conveyed for the purposes intended, then title thereto shall immediately revert to the United States, and in addition, all improvements made by the State of Texas during its occupancy shall vest in the United States without payment of compensation therefor.

SEC. 5. The conveyance of the property authorized by this act shall be upon the further provision that whenever the Congress of the United States declares a state of war or other national emergency, or the President declares a state of emergency, and upon the determination by the Secretary of Defense that the property conveyed under this act is useful or necessary for military, air, or naval purposes, or in the interest of national defense, the United States shall have the right, without obligation to make payment of any kind, to reenter upon the property and use the same or any part thereof, including any and all improvements made thereon by the State of Texas, for the duration of such state of war or of such emergency. Upon the termination of such state of war or of such emergency plus 6



months such property shall revert to the State of Texas, together with all appurtenances and utilities belonging or appertaining thereto.

SEC. 6. In executing the deed of conveyance authorized by this act, the Secretary of the Air Force or his designee shall include specific provisions covering the reservations and conditions contained in sections 2, 3, 4, and 5 of this act.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### AUTHORIZING CONVEYANCE TO STATE OF TEXAS OF LAND IN HOUSTON, TEX., TO BE USED FOR NATIONAL GUARD PURPOSES

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3822) to authorize the conveyance to the State of Texas of approximately 9 acres of land in Houston, Tex., to be used for National Guard purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That the Secretary of the Army is authorized and directed to convey to the State of Texas, without compensation therefor, all the right, title, and interest of the United States in and to approximately nine and three-tenths acres of land in Houston, Harris County, Tex., and all improvements thereon, said property comprising that portion of the former Hughes Strut Plant now being occupied by the Texas National Guard under a license issued by the Secretary of the Army.

SEC. 2. The deed of conveyance authorized under the provisions of this Act shall—

(1) provide that the property conveyed shall not be alienated in whole or in part by the State of Texas and shall be used primarily for training National Guard and Air National Guard personnel and for other military purposes, and if such provision is violated title to such property (including all improvements by the State of Texas) shall revert to the United States;

(2) reserve to the United States all minerals (including oil and gas) in the lands conveyed;

(3) provide that during any state of war or national emergency and for 6 months thereafter, if the Secretary of Defense determines that the property conveyed is useful or necessary for national defense purposes, the United States may, without payment therefor, reenter such property and use all or any part of it (including improvements by the State of Texas) but upon the termination of such use such property shall revert to the State of Texas; and

(4) contain such additional terms, conditions, reservations, and restrictions as may be determined by the Secretary of the Army to be necessary to protect the interests of the United States.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### CONVEYANCE OF LANDS IN CAMP ROBERTS MILITARY RESERVATION FOR USE AS A DAM AND RESERVOIR SITE

Mr. SHORT. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (S. 3189) providing for the conveyance by the United States to the Monterey County Flood Control and Water Conservation District, Monterey County, Calif., of certain lands in Camp Roberts Military Reservation, Calif., for use as a dam and reservoir site and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Missouri [Mr. SHORT]?

There was no objection.

The Clerk read the bill, as follows:

*Be it enacted, etc.,* That (a) the Secretary of the Army is authorized to convey by quitclaim deed, to the Monterey County Flood Control and Water Conservation District of Monterey County, Calif., for the purpose of constructing, operating, and maintaining thereon a dam and reservoir area for its El Nacimiento Reservoir project, all right, title, and interest of the United States, except as reserved herein, in and to so much of the following described lands within the boundaries of Camp Roberts Military Reservation, Calif., as the Secretary of the Army, or his designee, and the Monterey County Flood Control and Water Conservation District shall determine to be necessary as a dam site and reservoir area for the El Nacimiento project:

The east half of the southeast quarter of section 11; the southwest quarter of section 12; the west half of section 13; and the east half of the east half of section 14, all lying in township 25 south, range 10 east, Mount Diablo base meridian.

(b) The deed conveying the lands determined to be necessary for the dam site and reservoir area for the El Nacimiento project shall provide (1) for the reservation by the United States of all mineral rights, including oil and gas, in and underlying the lands conveyed, (2) that the lands conveyed shall be used solely for the purpose of constructing, maintaining, and operating a dam and reservoir project thereon, and in the event such dam has not been constructed thereon within 10 years after the enactment of this act, or in the event the lands conveyed shall at any time after construction of the dam cease to be used for the sole purpose of maintaining and operating a dam and reservoir thereon, all right, title, and interest in and to such lands shall revert to the United States, (3) that in the event the existing water supply at Camp Roberts shall be diminished or adversely affected in any manner by the construction, operation, and maintenance of the dam and reservoir project, the grantee, its successors, and assigns, shall provide to the United States without additional cost substitute or supplementary water supply necessary to equal the existing supply at Camp Roberts, (4) the Armed Forces of the United States shall be granted for recreational and training purposes the use of the lands conveyed, to the extent that such use does not adversely affect the operation and maintenance of the dam and reservoir, and the use of the remaining portion of the reservoir area, to the extent provided in the regulations of the Monterey County Flood Control and Water Conservation Dis-

trict generally applicable to the reservoir area, and (5) the grantee shall remove, relocate, and reconstruct, at its own cost and expense all structures, roads, and fences at Camp Roberts affected by the proposed conveyance.

SEC. 2. The Secretary of the Army is authorized to issue to the Monterey County Flood Control and Water Conservation District, without compensation therefor, and on such terms and conditions as he deems appropriate, a license to use and occupy any lands in the area described in section 1 not conveyed pursuant to the authorization contained therein, as may be required for the excavation of borrow materials and any other purposes related to the construction of the El Nacimiento project.

SEC. 3. The conveyance herein authorized shall be made for a monetary consideration determined by the Secretary of the Army or his authorized representative, after appraisal, to represent the appraised fair market value of the estate conveyed.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### COMMUNIST CONTROL ACT OF 1954

Mr. GRAHAM. Mr. Speaker, I move to suspend the rules and pass the bill (S. 3706), the Communist Control Act of 1954, with an amendment, which I send to the Clerk's desk.

The SPEAKER. The Clerk will report the bill, as amended.

The Clerk read as follows:

Strike out all after enacting clause and insert in lieu thereof the following: "That this act may be cited as the 'Communist Control Act of 1954.'"

#### "FINDINGS OF FACT"

"SEC. 2. The Congress hereby finds and declares that the Communist Party of the United States, although purportedly a political party, is in fact an instrumentality of a conspiracy to overthrow the Government of the United States. It constitutes an authoritarian dictatorship within a republic, demanding for itself the rights and privileges accorded to other political parties, but denying to all others the liberties guaranteed by the Constitution. Unlike other political parties, which evolve their policies and programs through public means, by the reconciliation of a wide variety of individual views, and submit those policies and programs to the electorate at large for approval or disapproval, the policies and programs of the Communist Party are secretly prescribed for it by the foreign leaders of the world Communist movement. Its members have no part in determining its goals, and are not permitted to voice dissent to party objectives. Unlike members of other parties, members of the Communist Party are recruited for indoctrination with respect to its objectives and methods, and are organized, instructed, and disciplined to carry into action slavishly the assignments given them by their hierarchical chieftains. Unlike other political parties, the Communist Party acknowledges no constitutional or statutory limitations upon its conduct or upon that of its members. The Communist Party is relatively small numerically, and gives scant indication of capacity ever to attain its ends by lawful political means. The peril inherent in its operation arises not from its numbers, but from its failure to acknowledge any limitation as to the nature







# Digest of CONGRESSIONAL PROCEEDINGS

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(For Department Staff Only)

Issued August 19, 1954  
For actions of August 18, 1954  
83rd-2nd, No. 161

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HIGHLIGHTS: Senate passed bill to increase CCC borrowing power, and House concurred in amendment re mangoes imports. Senate agreed to conference report on supplemental appropriation bill and acted on amendments in disagreement. Senators criticized drought-relief administration. Senate debated Federal pay raise. Senate passed plant patenting bill. Senate passed bill permitting long-term leases of forest lands. Senate committee reported bill to codify food-drug laws. House agreed to conference report on fringe-benefits personnel bill. House concurred in Senate amendments to flood control bill. House concurred in Senate amendments to unemployment compensation bill. Reps. Whitten and Burdick criticized farm program bill. Rep. Hope inserted President's statement when signing water facilities bill. Sen. Fulbright inserted Democratic Digest article on farm program. Conferees agreed to file report on foreign-aid appropriation bill. Rep. Brown (Ga.) urged drought relief for Ga. Rep. Polk criticized agricultural advisory committees.

## SENATE

1. COMMODITY CREDIT CORPORATION. Passed H. R. 9756, to increase the borrowing power of CCC from \$8½ billion to \$10 billion, with an amendment by Sen. Holland to add mangoes to the provision in the farm program bill which would require that certain imported fruits and vegetables comply with the standards of domestic marketing orders (pp. 14208-9). The House concurred in the amendment (p. 14179). This bill will now be sent to the President.
2. SUPPLEMENTAL APPROPRIATION BILL, 1955. Agreed to the conference report on this bill, H. R. 9936. Concurred in the House amendments, to Senate amendments, mentioned in Digest 160. Sen. Kefauver criticized plans to move headquarters of the Civil Defense Administration to Mich. (pp. 14213-23.) This bill will now be sent to the President.



3. PATENTS. Passed without amendment H. R. 5420, providing that a patent may be obtained on cultivated sports, mutants, hybrids, and newly found seedling plants (p. 14229). This bill will now be sent to the President.

Discussed and, on objection of Sen. Gore, passed over H. R. 3534, to authorize extension of patents covering inventions whose practice was prevented or curtailed during certain emergency periods (pp. 14255-6).

4. FORESTRY. Passed with amendment H. R. 1254, to permit 30-year leases of national forest and certain other Federal lands for public purposes (pp. 14227-8).

5. TRAVEL; TRANSPORTATION. Passed without amendment H. R. 179, which authorizes pay of travel expenses of certain civilian employees stationed outside continental U. S. and their immediate families in connection with taking periodic leaves of absence in the U. S., authorizes return of the immediate families and household goods of employees prior to the return of the employees under certain circumstances, etc. (p. 14229). This bill will now be sent to the President.

6. PERSONNEL. Passed without amendment H. R. 7785, to amend the Civil Service Retirement Act so as to make permanent the increases in regular annuities provided by the act of 1952, and to extend such increases to additional annuities purchased by voluntary contributions (p. 14247). This bill will now be sent to the President.

Concurred in a House amendment to S. 3627, to amend the Civil Service Retirement Act so as to require an employee to complete 1 year of creditable civilian service subject to the Act within the 2-year period preceding separation in order to establish title to his annuity from the civil service retirement and disability fund (p. 14306). This bill will now be sent to the President.

During debate on H. R. 2235, a reclamation bill, Sen. Johnston offered an amendment/the committee substitute for H. R. 7774 (the incentive-awards bill), which would grant a 5% Federal pay raise. The Johnston amendment was rejected, 47 to 30. (pp. 14292-8.)

During calendar call, discussed the committee provisions (as amendments to H. R. 7774) for a Federal pay raise and the Knowland amendments (which were printed in the Record) to provide a 3½% pay raise for classified employees and increases in postal rates. No action was taken on the amendments, but it was indicated that they would be formally considered later. (pp. 14230-1, 14249-55.)

The Post Office and Civil Service Committee reported without amendment H. R. 1553, to amend the Civil Service Retirement Act so as to provide for the inclusion in the computation of accredited service of certain periods of service rendered to States or instrumentalities of States (S. Rept. 2494)(p. 14201).

The Committee also reported S. Con. Res. 105, "to express the sense of the Congress on excusing Government employees from work on the afternoon of August 31, 1954, to attend the parade of the American Legion in the District of Columbia" (S. Rept. 2495)(p. 14201).

7. LAW REVISION. The Judiciary Committee reported with amendments bills to codify titles of the U. S. Code and enact them into positive law, as follows: H. R. 9728, title 21, regarding food, drugs, and animal-plant diseases (S. Rept. 2496); H. R. 9729, title 13, "Census" (S. Rept. 2497); and H. R. 9730, corrections of various obsolete references (S. Rept. 2498)(p. 14201).

8. DROUGHT RELIEF. Various Senators criticized USDA administration of the drought-relief program (pp. 14266-70, 14277-82).

9. FARM LABOR. Passed without amendment S. 3813, to permit immigration of certain



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For books: Library of Congress main catalog.

(EXPLANATORY NOTE.—No attempt has been made to include statements made on the Senate floor which were reprinted in full or in part in various publications. No attempt has been made to include addresses which were reprinted, nor to include the various U. S. Government documents which came out under the name of a particular Member. The references included in this bibliography are limited to those written by the Members while serving in the U. S. Senate. One further limitation with reference to the articles is that they represent only the above sources as listed.)

#### COMPENSATION FOR CARRYING MAIL ON WATER ROUTES

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 361) to provide for the renewal of and adjustment of compensation under contracts for carrying mail on water routes, which was, in line 4, strike out all after "434)," down through line 7, inclusive, and in-



sert "are amended by striking out the words "star-route or screen vehicle service" wherever they appear in such paragraphs and inserting in lieu thereof "star-route, screen vehicle service, or inland water-route"."

Mr. CARLSON. Mr. President, I have discussed the House amendment with the minority leader and with the ranking minority member of the Committee on Post Office and Civil Service. They have no objection to the consideration of the amendment.

The amendment proposed by the House limits the bill strictly to inland waterways. I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

#### AMENDMENT OF CIVIL SERVICE RETIREMENT ACT

The PRESIDING OFFICER laid before the Senate the amendment of the House of Representatives to the bill (S. 3627) to amend the Civil Service Retirement Act, as amended, which was, on page 2, line 5, after "requirement," insert "Any officer or employee who shall have given notice of his desire to come within the purview of this act pursuant to the last paragraph of section 3 (a) of this act shall be deemed for the purposes of this requirement to have been subject to the provisions of this act during any period of service or part thereof ending not later than September 30, 1954, with respect to which there shall have been deposited the amounts specified in section 9."

Mr. CARLSON. Mr. President, I have similarly discussed this House amendment with the minority leader and the ranking minority member of the Committee on Post Office and Civil Service, and they have no objection to the consideration of the amendment of the House.

The amendment provides for a clarification in the Legislative Retirement Act of last year. I ask unanimous consent to have printed at this point in the RECORD a statement prepared by Joseph C. Ellis, financial clerk of the Senate.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

AUGUST 14, 1954.

S. 3627 as passed by the Senate and H. R. 9586, as passed by the House of Representatives, both contain a requirement of 1 year of creditable civilian service subject to the Retirement Act in the 2-year period preceding separation in order that title to annuity rights be based on such separation. The language "subject to the Retirement Act" has been interpreted to mean service creditable for retirement and during which deductions were withheld from the salary of the employee.

Public Law 303, 83d Congress, approved March 6, 1954, provided that employees of the legislative branch serving on the date of enactment, March 6, 1954, could give notice to come within the purview of the Retirement Act prior to September 7, 1954. Due to the increased benefits provided by Public

Law 303 a considerable number of employees exercised this option, many of them making service credit deposits to cover the last 5 years of service. It is anticipated that some employees will exercise this option before September 7, 1954. Should any of these employees be separated in January as a result of the expiration of the Member's term they would not be eligible for annuity if the proposed legislation is enacted as is, since they could not possibly have had deductions withheld from their salaries for the required 1 year. The attached language is suggested to remedy this situation.

Mr. CARLSON. Mr. President, I move that the Senate concur in the House amendment.

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Kansas.

The motion was agreed to.

#### ANNOUNCEMENT OF CONSIDERATION OF TREATIES

Mr. KNOWLAND. Mr. President, I desire to advise the acting minority leader that I have had a request from the acting chairman of the Committee on Foreign Relations that the Senate consider tomorrow, or on Friday, if the Senate is still in session, the treaties on the executive calendar. I understood the matter was being discussed with the ranking Democratic member of the Committee on Foreign Relations, the distinguished Senator from Georgia [Mr. GEORGE]. The treaties will not be called up tonight; I merely desired to have the RECORD show that before final adjournment it is intended to take up the several treaties on the executive calendar.

#### ADDITIONAL REPORT OF A COMMITTEE

The following additional report of a committee was submitted:

By Mr. LANGER, from the Committee on the Judiciary, with an amendment:

S. 2230. A bill for the relief of Louis S. Thomas and D. Grace Thomas (Rept. No. 2500).

#### ADDITIONAL EXECUTIVE REPORTS OF A COMMITTEE

As in executive session.

The following additional favorable reports of nominations were submitted:

By Mr. LANGER, from the Committee on the Judiciary:

William Z. Fairbanks, of Hawaii, to be second judge of the first circuit, circuit courts, Territory of Hawaii, vice Edward A. Towse; and

Albert M. Felix, of Hawaii, to be third judge, first circuit, circuit courts, Territory of Hawaii.

#### INCREASE OF THE DUTY ON WATCHES

Mr. GORE. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial, which I send to the desk.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

#### CONSUMERS HIT BY WRONG KIND OF WATCH SUBSIDY

President Eisenhower has yielded to the recommendation of the Tariff Commission to raise the duty on Swiss watch movements by about 50 percent.

The Tariff Commission urged the duty hike more for defense purposes than the benefit of the four domestic-jeweled watchmakers. It said the watchmakers' skills would be needed in any emergency, and that therefore the industry, with its force of trained workers, should be better protected against Swiss competition.

Nevertheless, we believe the Commission and the President have made a mistake.

Evidence is divided both on whether the jeweled-watch industry could survive without the extra duty protection and its importance to defense. But that is not the main point. What seems clear to us is the fact if it was deemed necessary to subsidize the industry there were better ways of doing it than a tariff hike.

The course taken will, by raising retail prices, result in socking consumers about five times as much as the subsidy it is expected to provide for the watchmakers. It will give a black eye to this country's professions on foreign-trade promotion, and by needlessly taking advantage of an escape clause in the trade treaty with Switzerland, it will put a bad taste in the mouth of a people who buy from us much more than they sell to us.

Consider the beating the consumers will take. The duty raise ranges from 9 cents to \$1.15 per watch movement, with the average on popular timepieces estimated at around \$1. In usual trade practices that calls for an extra markup of 50 cents by the importer, making the total \$1.50. The retailers would double that, making the average increase in the price to consumers around \$3 (unless the trade absorbs some of the duty). On 10 million Swiss movements a year that means \$30 million to be charged up to the consumers. If people cut the number of watches they buy, it will mean pinching what they consider their standard of living, and of course it would hurt both foreign and domestic business.

It is not by any means certain how much good the duty hike will do the domestic industry. Dealers say the Swiss movements have been underselling the domestic by 50 percent and with the tariff lift, will still undersell them by more than 30 percent.

But if the domestic makers get all the benefit intended what will it amount to? The Tariff Commission said the domestic output should be kept at at least 2 million movements yearly in order to have a good base to expand on in case of a defense emergency. The current output now is around 1.7 million. The indicated expansion of 300,000 movements at \$15 (roughly the average wholesale) would bring them \$4.5 million. Meanwhile the consumer would be paying some \$30 extra by reason of the duty and attendant markups.

The Government has made this case into a defense matter. In this situation why not provide a direct defense subsidy through the purchase, say, of timing devices and instruments at remunerative prices. Wouldn't that be preferable to hitting consumers for \$30 million in duties, placing a burden on trade with a good customer like Switzerland, and raising doubts in the minds of a lot of other customers about our foreign trade development policies?

Maybe we, as a people, don't like to be taxed to pay direct subsidies to manufacturers (even though we pay them to others). But neither can we like being tagged for an indirect subsidy five times as much as the direct subsidy would cost, and have a monkey wrench thrown into our trade relations as well.







Public Law 730 - 83d Congress  
Chapter 1148 - 2d Session  
S. 3627

AN ACT

To amend the Civil Service Retirement Act, as amended.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That section 5 of the Civil Service Retirement Act of May 29, 1930, as amended, is amended by adding at the end thereof the following:

“Notwithstanding any provision of law to the contrary, title to annuity payable from the civil service retirement and disability fund shall not arise from any separation unless the officer or employee so separated has, within the two-year period immediately preceding such separation, completed at least one year of creditable civilian service during which he was subject to this Act. Any annuity rights based on a separation which (a) terminated service meeting this requirement, or (b) occurred prior to this amendment, shall be restored upon separation from subsequent service which fails to meet said requirement. Any officer or employee who shall have given notice of his desire to come within the purview of this Act pursuant to the last paragraph of section 3 (a) of this Act shall be deemed for the purposes of this requirement to have been subject to the provisions of this Act during any period of service or part thereof ending not later than September 30, 1954, with respect to which there shall have been deposited the amounts specified in section 9.

“No credit shall be allowed for any service subsequent to the date of the separation on which title to annuity is based. Any amounts deducted from salary for retirement purposes during such service shall upon separation be refunded to such officer or employee without interest, and shall be subject to redeposit as provided in section 12 (b) (2) of this Act. Any such amount not so refunded to the officer or employee before his death shall be paid in the order of precedence prescribed in section 12 (e).”

Approved August 31, 1954.

Civil service  
retirement.  
46 Stat. 472.  
5 USC 707.

68 Stat. 1004.  
68 Stat. 1005.

5 USC 693.

5 USC 736b.

5 USC 724.







